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INSIDE TODAY

# THE JERUSALEM POST

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SECOND EDITION

## Peres 'approved' idea of Israel as middleman in U.S.-Iran deals

By WALTER RUBY  
and WOLF BLITZER  
Jerusalem Post Correspondents

**NEW YORK.**—Shimon Peres personally approved of Israel acting as a middleman in U.S.-Iranian arms deals aimed at achieving the release of American hostages, according to the current issue of *Newsweek* magazine.

In the summer of 1985, David Kimche, the former director-general of the Foreign Ministry suggested to U.S. National Security Adviser Robert McFarlane a conduit to the Iranian government through which to funnel U.S. arms in return for the release of American hostages held by Shi'ite extremists in Lebanon, *Newsweek* says.

According to the magazine, Kimche suggested Jacob Nimrodi, a 60-year-old former Mossad agent and presently an arms dealer with much experience in Teheran.

The idea of having Israel act as a middleman in the U.S.-Iran dealings had earlier been approved by prime minister Peres, according to the magazine.

After McFarlane approved the plan, according to *Newsweek*, Nimrodi enlisted the services of Iranian exile Manucher Ghorbanifar, a close friend of Iranian Premier Mussavi, to deal with the Iranian government. Also playing a key role from the Israeli side according to *Newsweek*, was Al Schwimmer, founder of Israel Aircraft Industries, who acted as a liaison with McFarlane.

Working through Ghorbanifar, the Israelis secured Mussavi's promise that one U.S. hostage would be released within 24 hours of the delivery of a payload of American military equipment.

Despite strong opposition from the State Department, McFarlane gave Kimche the green light for the plan after a meeting in London on September 1, 1985. Within several days a chartered DC-8 loaded with TOW anti-tank missiles, spare parts and ammunition was flown by an Israeli pilot from Israel to Iran.

However, several days passed

with no release of a hostage. Nimrodi called Mussavi directly, and the Iranian premier claimed that Teheran could not impel Hizbollah to release a hostage, but said that if another arms shipment was sent perhaps something could be done. Nimrodi refused to do so, and, according to *Newsweek*, Israel returned a cheque from Iran for \$10 million, saying that it would take payment only in hostages.

Soon after, however, a second DC-8 flew from Israel to Teheran, and on September 14, the first American hostage, Reverend Benjamin Weir was released.

The Israelis are said to have learned that after Hizbollah's first failure to deliver a hostage, Iranian revolutionary guards went to Hizbollah and demanded a release.

All arms delivered to Iran were paid for by the U.S. and were either American arms brought to Israel for delivery to Iran or Israeli U.S.-made weapons, for which Israel was compensated by the U.S. after a third delivery of arms and spare parts by plane from Israel in early November 1985, McFarlane resigned from the NSC, and on the Israeli side Kimche, Schwimmer and Nimrodi were cut out of the picture.

The new coordinator of the project on the Israeli side, according to *Newsweek*, was Amiram Nir, the prime minister's adviser on counter-terrorism.

Under Nir's direction the pace of shipments—now by ship from Eilat to the port of Bandar Abbas—picked up, and ships loaded with ammunition and spare parts shuttled regularly from Israel to Iran.

These shipments led to the release of hostage Father Jenko, earlier this year and of David Jacobson last week, several days after a ship from Eilat which bore no flag arrived in Bandar Abbas.

Meanwhile the entire issue is now snowballing into a major political crisis for the Reagan Administration.

But White House officials are con-

(Continued on Page 2, Col. 4)



A tornado sweeps ominously in from the sea to the Tel Aviv shoreline. The funnel hovered for only minutes before dissipating itself as it crossed the coast.

Rain will continue to fall today and temperatures will be as cold as colder than yesterday, the weather man forecasts. Between 35 and 40 per cent of the annual average rain has already fallen, it is reported.

"There's a chance that it will continue through the end of the week," said the duty officer at Beit Dagan weather centre, "but by the end of the week it will be getting weaker all the time." Story page 4.

(Ailon Eisenberger, Israel Sun)

## Israel confirms atom-suspect's detention

# Vanunu being held here to face trial

By BENNY MORRIS  
Post Diplomatic Correspondent

Israel at last broke its silence on the Vanunu affair yesterday and officially confirmed that the nuclear technician who allegedly sold the secrets of the Dimona nuclear reactor to *The Sunday Times* was now back in the country, under arrest and the subject of judicial proceedings.

The timing of the statement was apparently determined by Israel's wish to buttress British Prime Minister Margaret Thatcher's denial over the weekend of foreknowledge of Israel's intention to kidnap Mordechai Vanunu on British soil and bring him to trial in Israel. On Saturday, *The Financial Times* reported that former prime minister Peres had telephoned Thatcher and explicitly or implicitly let her know that Israel was about to kidnap Vanunu and that she had consented to this.

A senior source after the cabinet meeting refused to explain the timing or causation of the statement—which followed some six weeks of complete Israeli silence in the matter.

In a brief statement, the cabinet secretary said that the "government of Israel announces that Mordechai Vanunu is legally under arrest in Israel, in accordance with a court



Mordechai Vanunu (AFP)

order following a hearing in which a lawyer of his selection was present."

The statement went on to declare that "all the rumours to the effect that Vanunu was 'kidnapped' on English soil, are without foundation. Moreover, there is no basis for the report that Mr. Peres contacted Mrs. Thatcher in order to tell her about something that did not happen."

The statement does not seem to explicitly repudiate the notion that Peres telephoned Thatcher about the affair. Nor does it deny *The Financial Times* report that Peres, in

advance of the publication in *The Sunday Times*, told her that the newspaper was about to publish an expose about Israel's nuclear plant, on the basis of Vanunu's information.

The statement declared that "no further details would be published for reasons of *sub judice*."

The source said after the cabinet meeting that neither the Vanunu affair nor the government statement were discussed by the cabinet, leaving observers to conjecture that the statement was formulated by Prime Minister Shamir, Foreign Minister Peres and Defence Minister Rabin without consulting the other ministers.

The statement explicitly denies a kidnapping on British soil and implicitly repudiates the report that Vanunu was conveyed from Britain to Israel in a crate as diplomatic mail. But it leaves open the possibility, reported by several newspapers over the past weeks, that the technician was somehow enticed by Israeli agents to leave Britain and only subsequently was kidnapped and brought to Israel aboard an Israeli Navy vessel.

Likud politicians largely backed the government decision to make public that Vanunu is under arrest in Israel. But there were dissenters

(Continued on Page 2, Col. 1)

## Back to school as talks 'advance'

By ASHER WALLFISH and  
MENACHEM SHALEV  
Jerusalem Post Reporters

The strike in the country's school system was called off late last night as "considerable progress" was achieved in budget talks between the Treasury and the Education Ministry.

Finance Minister Moshe Nissim acceded to Education Minister Yitzhak Naven's request to release the NIS 39 million which had been "frozen" by the Treasury. An Education Ministry spokesman said that the money would be transferred immediately to meet "all the pressing needs of the education system," including teachers' salaries.

The Histadrut Teachers Union announced that it was cancelling the sanctions planned for today, which had included strikes in both secondary and elementary schools.

Members of the Secondary School Teachers Association were also expected to return to work as soon as their salaries were paid.

Treasury and Education Ministry officials refused to discuss further details of yesterday's talks but said that an agreement between the two ministries was "imminent."

It was not clear last night what sort of accommodation had been made concerning the "frozen" NIS 39 million, which comprised the remainder

of the Education Ministry's November allocation.

The Treasury had demanded that the money be earmarked exclusively for teachers' salaries, while the Education Ministry had rejected so-called Treasury "dictates" as to how to allocate its budget.

Nissim said at the weekly cabinet meeting yesterday that his ministry's relation with the Education Ministry focussed solely on the budget cut issue.

Nissim said the cabinet had decided that the Education Ministry budget must be trimmed, like that of other ministries, and it was his personal responsibility to make sure the cut was carried out.

## HU to open today despite funds crisis

By MENACHEM SHALEV

The Hebrew University of Jerusalem will finally open its gates this morning even though it has not yet found a way out of its financial straits.

The University's executive committee, meeting in Jerusalem yesterday, decided to defer its approval of this year's operating budget, but start the school year nevertheless. The rest of the country's universities opened eight days ago.

The committee heard from the university's management that this year's estimated budget deficit has been revised from \$3 million to \$8 million, out of a total annual budget of \$112 million. This projected deficit is in addition to the University's accumulated debts of \$52 million.

The committee did not approve the \$8 million deficit but decided to reconvene in two months time to discuss the matter again.

University administrators explained that the new deficit forecast was based on revised calculations of interest on university loans and on a projected \$3 million expenditure on new wage agreements with university employees.

The university administrators said several economizing measures had been adopted, including a reduction in the number of university-owned cars, a reduction in the overtime quotes and more stringent supervision of trips abroad by university personnel.

## Mubarak appoints new PM as economic troubles grow

CAIRO (Reuters).—President Hosni Mubarak yesterday appointed Atef Sedki, Egypt's top financial watchdog, as Prime Minister after the apparent failure of outgoing Prime Minister Ali Lutfi's government to make sufficient headway in solving the nation's economic problems.

In a surprise move, Lutfi handed in his resignation yesterday after 14 months in office during which Egypt, its hard currency earnings cut by the oil-price slump, slid deeper into economic trouble.

Mubarak told the incoming Sedki to thrust ahead with economic reforms and maintain tight security, a message observers here interpreted to mean that Dr. Lutfi's resignation was the result of his government's poor economic showing—despite the fact that he is a top economist.

Sedki, 56, an unknown public servant and academic who has headed the central auditing agency for the last five years, was expected to retain Lutfi's senior ministers in his cabinet, official sources said.

Mubarak told the silver-haired, bespectacled former law professor he was impressed by his skill and determination as head of the audit bureau, which checks the finances of ministries and state firms and is one of the most feared official agencies.

"We have decided to assign you to form a new government which would provide a strong push to the process of reform and progress which will add to what has already been



Egypt's new prime minister, Atef Mohammed Neguib Sedki. (AFP)

achieved..." he said in a letter.

He also asked the new premier "to strengthen security at home and to reject any attempt at deviation from the general order and legitimacy of the state."

This was a clear sign that the government should continue to deal firmly with unrest, and appeared aimed mainly at Moslem fundamentalists. Over 200 have been arrested in the past month, most of them in the central city of Assiut.

The change of prime ministers surprised Egyptians and foreign diplomats because it came in the middle of delicate negotiations over economic reform with officials of the

International Monetary Fund (IMF).

Egypt is seeking IMF standby assistance of about \$1 billion to help it meet a heavy schedule of payments on its foreign debt, which the fund puts at \$38.6b.

A budget deficit of \$5.5b. and a trade deficit have been compounded by the oil price slump which cut income by over \$1.2b. this year.

Diplomats had expected Mubarak, in the interests of presenting a stable image, to keep the same government during the IMF negotiations.

The talks, which began last month, centre on reforms the IMF will seek as the price for its assistance. They include a unified exchange rate for the Egyptian pound, higher domestic interest rates and tougher action to end 30-year-old socialist subsidies on basic goods like bread and petrol.

Mubarak urged Sedki to double family planning efforts to cut the growth rate—one million every eight months—of Egypt's 51 million population.

He also asked the new Premier to improve industrial output and boost tourism, which slumps after any serious incident of Middle East violence. He urged him to fight bureaucracy.

Government sources said they expected key cabinet posts would not be affected by the change of prime ministers.

## Opposition suffers big loss in West German state poll

BONN (Reuters).—West Germany's opposition Social Democrats (SPD) suffered a heavy setback in a state poll in Hamburg yesterday and Chancellor Helmut Kohl welcomed the outcome as a vote of confidence in his centre-right government.

Results from 194 of the 204 polling stations showed that the SPD, defending a 51.3 per cent majority in the city, had lost around 10 per cent support and Kohl's Christian Democrats (CDU) had emerged as biggest party.

The Hamburg poll was the last major test of voting intentions before general elections on January 25.

Both SPD officials and independent analysts had said the party would have to do well in the city if it

was to rejuvenate its flagging campaign to oust Kohl's coalition in the national ballot.

But yesterday's result meant the SPD had suffered its biggest loss in the city since World War II, a crippling blow only four weeks after its share of the vote in Bavarian state polls also slumped to the lowest level for 40 years.

Computer projections on the results announced so far showed that the CDU gained 42.2 per cent of the vote, compared with 38.6 per cent in the last poll in December, 1982.

The SPD won 41.4 per cent, down from 51.3 per cent. The radical anti-nuclear Greens-Alternative List (GAL) increased its share by 3.6 per cent to win 10.4 per cent.

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**Rabbi David Weinberg זצ"ל**  
and his family  
on the sudden death of his wife and right hand, a gracious lady of great kindness and goodness of heart  
**CHAYA ז"ה**  
May you be spared further sorrows.  
Our words are inadequate to console you—  
הוֹלֵנוּ לְחַיֵּית שְׁמֵיכֶם בְּרוּךְ שֵׁן אֲבִי אֱלֹהֵינוּ  
Moshe and Dina Dyckman and Family



## The weather at major Swissair destinations

	9.11.86	MIN.	MAX.	
AMSTERDAM	6-13	11-25	Cloudy	
BRUSSELS	5-11	10-20	Cloudy	
BIRMINGHAM	11-18	21-24	Cloudy	
CHICAGO	3-8	21-24	Cloudy	
COPENHAGEN	3-7	17-24	Cloudy	
FRANKFURT	3-7	17-24	Cloudy	
GENEVA	3-7	17-24	Cloudy	
HELSINKI	3-7	17-24	Cloudy	
HONGKONG	21-28	25-27	Clear	
JERUSALEM	10-18	20-24	Cloudy	
LONDON	7-12	15-24	Cloudy	
MADRID	2-8	17-24	Cloudy	
MONTREAL	8-12	17-24	Cloudy	
NEW YORK	2-8	17-24	Cloudy	
OSLO	2-8	17-24	Cloudy	
PARIS	2-8	17-24	Cloudy	
RUDEK (JANBO)	18-24	24-24	Cloudy	
STOCKHOLM	1-6	17-24	Cloudy	
TOKYO	13-19	16-21	Cloudy	
TYBONET	9-12	24-24	Cloudy	
VIENNA	2-8	17-24	Cloudy	
ZURICH	2-8	17-24	Cloudy	

\*For the latest weather conditions contact Swissair.

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## THE WEATHER

Forecast: Continued intermittent showers with occasional thunderstorms. Snowfall in the Hermon.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	92	5-8	8
Golan	97	1-5	7
Nabariya	86	1-5	15
Safed	96	1-7	7
Haifa Port	79	1-16	14
Tiberias	93	1-14	14
Nazareth	100	8-12	11
Afula	88	11-14	15
Shomron	93	8-10	10
Tel Aviv	76	12-18	17
B-G Airport	100	9-15	14
Jericho	89	12-15	15
Gaza	80	12-18	17
Beersheba	80	10-14	15
Eilat	42	14-20	21

Rainfall figures for 24-hour period ending 10 p.m. yesterday, in millimeters: Jerusalem, 67; Golan, 43; Safed, 48; Tiberias, 13; Nazareth, 18; Afula, 12; Shomron, 66; Tel Aviv, 33; B-G Airport, 60; Jericho, 22; Gaza, 41; Beersheba, 7; Eilat, 7.

## ARRIVALS

Marilyn Fianzhbaum, National Board, National Council of Jewish Women, U.S., and Chairperson NCJW Leadership Mission November 13-23.

## DEPARTURES

World Wizo Executive Chairman, Michael Moda to Italy to participate as guest of honour in the ADEI - WIZO National Conference.

## VANUNU

(Continued from Page One)

nuances and differing opinions about how the case would develop.

Most politicians were willing to give the government *carte blanche*. Thus MK Yoram Aridor told *The Jerusalem Post*: "I think the government did well by making public the fact that Vanunu is under arrest. As to the rest, I have little knowledge of the details of the case. So I must give the government the benefit of the doubt and assume that the case is being dealt with as it should be."

However, MK Ehud Olmert thought "initially that any official comment would not stop the curiosity of public opinion both here and overseas, but rather encourage questions and criticism about the possibility of Vanunu's kidnapping by Israeli agents. I therefore thought that making no Israeli comment was better than telling part of the story. But as it turned out, the government had to respond to mounting international pressure, particularly from Britain as to the exact circumstances of Vanunu's disappearance from Britain."

"Ultimately the government will have to provide explanations as to the exact way in which Vanunu was taken into custody," Olmert said.

Likud Knesset faction chairman Sarah Doron told *The Post* that the "matter was very badly handled when Vanunu was employed at the nuclear reactor and when he left for Australia. As for now, the government did well by making public the fact that he is in Israeli custody, as the foreign press was full of the story anyway. I hope that the entire affair will disappear from the media now. After all we provide new sensations daily."

She thought that "no enlightened state would have acted otherwise in so serious a case. He was detained by a court of law and I have full faith in our legal system," Doron said.

*Newsweek* magazine reported in its latest edition that Amnesty International is looking into Vanunu's case, to see what conditions he is being held under.

In Australia, Vanunu's friend Rev. John McKnight said: "I'm pleased that the government has finally announced that Mordechai is in Israel. I don't think it's been very helpful to keep it secret for so long. It would have been nicer for me if they would have admitted it while I was there."

He said he did not believe the government's denial of Vanunu's abduction in Britain. "I wish they (the Israeli government) would come clean completely," he said. "Getting bits and pieces of information, rather than being open and honest, does nothing for the Israeli government's integrity."

Vanunu's parents Mazal and Shimo have left their home in Beersheba and are staying with relatives in an undisclosed location. One of Mordechai's sisters explained that "the press hasn't let us breathe, and we don't have any more strength for this." Shimo, who sells religious articles in the Beersheba market, was attacked by two men at the end of last week.

## HOME NEWS

Tsur informs cabinet of contingency plan

# Ministry geared to absorb up to 50,000 Soviet Jews

By ASHER WALLFISH  
Jerusalem Post Reporter

The Absorption Ministry has drawn up a master-plan to handle as many as 50,000 Soviet Jewish immigrants per year, should the gates of the Soviet Union open once again, Minister Ya'acov Tsur told the cabinet yesterday, in a survey of his ministry's operations.

Tsur stressed, however, that the master plan was geared to a contingency, not a forecast.

He announced he was setting up a committee of ministry directors-general under his chairmanship, to coordinate all preparations for housing, work, health and welfare for a possible influx from the Soviet Union. The Jewish Agency would also be strongly represented on this committee.

"The disgraceful phenomenon of Soviet Jewish drop-outs must be stopped," Tsur said. "The cabinet must devote a special discussion to ways of eliminating it. We must invite the heads of Jewish organizations in America involved in helping Soviet drop-outs, and get them to understand the damage being done."

Tsur explained that if the Soviet authorities should let out 3,000 Russian families, for instance and 2,000 of them altered course in Vienna opting for America instead of Israel, the gates of Russia would be shut tight at once.

He said that Israel's case for Soviet Jewish emigration to Israel was based on Zionist arguments and concerned the reunification of families, repatriation, and national

aspirations. If Russian Jews settled in the U.S., the Soviet authorities could rightly ask if its Jewish citizens had rights and privileges beyond those of its non-Jewish citizens, who might wish to leave solely on the grounds of human rights and freedom of movement.

The flow of Israelis returning from abroad increased by 51 per cent in the first eight months of this year, Tsur said, with 2,500 people coming back under the aegis of the ministry. The actual number of returnees was larger, he said, since not all came through the ministry channels.

Thirty-five per cent of those handled by the ministry had university degrees, he said. A quarter of them had been abroad ten years and more. "This proves that there is no such thing as a lost Israeli," Tsur said.

## Absent O'Connor's appeal rejected by Supreme Court

By ERNIE MEYER  
Jerusalem Post Reporter

The Supreme court yesterday rejected an appeal by Mark O'Connor, defence counsel for accused war criminal John Demjanjuk, against what he claimed were irregularities in the presentation of the charge sheet against his client on October 1.

O'Connor did not appear for the hearing yesterday morning and Judge Shoshana Netanyahu struck down his appeal, although she granted him the right to renew it at a later date. Justice Ministry sources said. The American lawyer, who had been advised of the date of the hearing in good time, telephoned from Frankfurt during the morning to explain his absence. He had not arranged to be represented by an Israeli lawyer.

Legal circles told *The Jerusalem Post* yesterday that it is not in keeping with professional etiquette to treat a Supreme Court session in what might be described as a cavalier manner.

Shortly after his arrival at his Jerusalem hotel yesterday evening, O'Connor told *The Post* that he was delayed on a Lufthansa flight from Toronto via Frankfurt because his luggage - including important legal documents - had been misplaced. It was finally located at Ben-Gurion Airport, where it had arrived ahead of him.

O'Connor is here with his wife

Joyce, who will act as his office manager and para-legal aide, as she does at home in Buffalo.

The O'Connors have been in transit from the U.S. since last Thursday and had planned to be here this morning, in time for the Supreme Court hearing.

Mark O'Connor feels that his telephoned request for a postponement of the hearing was but a small favour to ask. "The prosecution has in the past asked for and been granted numerous postponements, and this was the first time that I asked for this privilege," he said.

"I begin to wonder whether the Demjanjuk trial is becoming hampered by departures from the very principles of universal justice and human rights, which the trial seeks to vindicate."

Meanwhile the three judges who are to hear the Demjanjuk case have called a session for November 17, at which in coordination with the prosecution and defence they are to set a date for the opening of the trial and fix a general timetable. Informed circles do not expect the trial to open before the beginning of 1987.

Demjanjuk has been in custody here since his extradition from the U.S. in February. He is alleged to be the person who operated the gas chambers at the Treblinka extermination camp where more than 800,000 Jews perished during World War II.

## Caspi to be questioned by police on GSS affair

By MENACHEM SHALEV  
Jerusalem Post Reporter

Attorney Ram Caspi, who was instrumental in securing presidential pardons for the Shin Bet (General Security Services) executives involved in the Bus No. 300 affair of April 1984 will be questioned by the police this week, *The Jerusalem Post* has learned.

Attorney-General Yosef Harish has rejected Caspi's claim that his dealings in the Shin Bet affair are exempt from police scrutiny due to the confidential nature of the lawyer-client relationship.

Originally, police investigators had not quarrelled with Caspi's assertion that the privileged relationship applied to both his discussions with his client, former Shin Bet chief Avraham Shalom, and his talks with cabinet members.

Last week, however, Harish rejected Caspi's position and ordered Police Inspector-General David Kraus to question the prominent Tel Aviv lawyer.

Caspi's testimony is said to have some bearing on Shalom's assertions that Shalom had sanctioned his actions in connection with the killing of two captured bus hijackers and the subsequent cover-up. But sources in the Justice Ministry say that Caspi's testimony is "not crucial."

(Continued from Page One)

timings to avoid any direct public comment, citing the welfare of the remaining American hostages. Secretary of State Shultz, Defence Secretary Weinberger and other senior U.S. policymakers have effectively been muzzled by the White House as well.

Shultz, clearly angered by Reagan's authorization of Israeli weapons transfers to Iran, was described by aides as "close to resigning." A report in yesterday's *New York Times* said that "tensions within the administration were running high" and the affair "could lead to his resignation." The secretary kept quiet yesterday.

The *New York Times* yesterday quoted a top State Department official as saying that the latest revelations on U.S. policy toward Iran had caused serious credibility problems for the U.S. with key countries around the world, especially the Arabs.

"The Arabs and everyone else are demanding to know what our policy is in dealing with terrorists and in sending arms to Iran, and we haven't been able to tell them anything since all this hit the fan," he said. "We've been better-than-thou on not giving in to terrorists and on not aiding Iran's war effort...We're going to have a tough time for a while explaining what happened."

The official said that Shultz has found his standing particularly undercut because he had assured a meeting of Arab foreign ministers on October 1 that the U.S. was doing everything it could to halt the shipment of arms to Iran.

"If the secretary is going to resign over something, this would be it," another U.S. aide said. "There is no issue he cares about more than counterterrorism, and the disclosures would seem to make a mockery of everything Shultz stands for."

But Republican Senator Richard Lugar, the outgoing chairman of the Senate Foreign Relations Committee,



Attorney Amnon Zichroni, who is representing Mordechai Vanunu, meets yesterday with Rowena Webster, a reporter for the London Sunday Times. (Britannia/Media Images)

Prisoner is healthy but angry at 'lynch campaign'

## Vanunu's lawyer would have sued to disclose his client's whereabouts

By MENACHEM SHALEV  
Jerusalem Post Reporter

Attorney Amnon Zichroni, who is representing Mordechai Vanunu, confirmed yesterday that he had warned government officials that he would petition the High Court of Justice if a public announcement of his client's whereabouts was not forthcoming.

Zichroni said the efforts to force an official acknowledgment that Vanunu is in Israel had been made on behalf of his "other client." (Zichroni is known to have been hired by *The Sunday Times* of London.) "I was in a strange situation; I had a conflict of interests between one client (*The Sunday Times*) who wanted to know where another client was - and I knew the answer all along but couldn't tell."

Zichroni takes issue with President Herzog's assessment that Vanunu is "unstable." He said that he "always knew that the president was an expert in legal matters, but I didn't know that his expertise extended to the medical field as well."

Zichroni has found his client to be "a very stable person."

Zichroni told *The Jerusalem Post* last night that his client is "healthy and in a good mood," although he is "incensed at the 'lynch' campaign being waged against him by the media."

Zichroni, a Tel Aviv lawyer and well-known activist for leftist causes, says that he has been representing Vanunu "for quite some time." He is careful to speak only on those matters which the authorities have permitted. He says that he has had "no

problems" in seeing Vanunu whenever he wants.

He said that Vanunu's family has not visited him, but that they know of his detention. Zichroni has been in contact with several of Vanunu's relatives.

Zichroni refuses to confirm that *The Sunday Times* is paying for Vanunu's legal fees, "but I am not a volunteer," he adds.

Zichroni who is accredited to appear in security-related trials, says that he was granted immediate access to his client once Vanunu had asked for his services. He says that Vanunu is cooperating with him and that he had been present at all of Vanunu's legal proceedings.

"I am sure that if a trial is held, it will be a just and fair one," he says.

## Argentine civil rights leader due here as guest of Mapam

By ROY ISACOWITZ  
TEL AVIV.

Hebe Pastor de Bonafini, Argentina's leading civil rights activist and a candidate for the Nobel peace prize last year, is to visit Israel next week as the guest of Mapam.

Pastor de Bonafini is the president of the Association of Mothers of the Plaza de Mayo, an organization of relatives of the thousands of people who disappeared during the years of military rule in the 1970s - known as *desaparecidos*. While in Israel she is to meet with relatives of Jewish *desaparecidos* and lecture at the Hebrew University in Jerusalem and

at the Kibbutz Artzi Centre in Tel Aviv. Meetings with public figures are also being arranged.

Between 9,000 and 15,000 people from all walks of life are said to have disappeared during the years of military rule. The graves of some have since been discovered; most of the people have simply vanished. The relatives of several of those who disappeared have since moved to Israel.

The association takes its name from the square in central Buenos Aires where the mothers of the *desaparecidos* began demonstrating several years ago.

## PERES

tee, yesterday dismissed suggestions that Shultz would resign because of U.S. policy toward Iran. Lugar met privately with Shultz on Saturday.

Still, Lugar confirmed that Shultz, during the meeting on Saturday, "did not know a great deal" about the 18-month U.S. operation with Iran. As a result, Lugar said, the secretary was reluctant to talk about the entire matter.

Lugar had also met on Saturday with National Security Adviser John Poindexter, who was actually charged with running the very sensitive backchannel operation with Iran. The senator suggested that the U.S. had kept its closest allies informed of its policy, although he refused to provide exact details.

Both Shultz and Weinberger, while informed of the broad outlines of the plan, opposed it from the start, according to U.S. officials.

They argued that it would merely encourage terrorists to kidnap more American hostages in the hope of extracting concessions from the U.S.; and that the supply of weapons to Iran would merely prolong the war with Iraq. They also argued that it would infuriate America's Arab friends in the Persian Gulf, especially Saudi Arabia, who are deeply concerned about a possible spread of Iranian-backed Islamic fundamentalism throughout the region.

But Reagan, primarily motivated by his personal desire to win the release of the American hostages in Lebanon, overruled his two chief foreign affairs advisers and authorized the covert operation which was run directly by the National Security Council in the White House.

Former Secretary of State Henry Kissinger yesterday agreed that the U.S. had a major strategic interest in opening some direct channels to more moderate elements in Iran in the hope of influencing the outcome of a post Khomeini power struggle. But like Shultz and Weinberger, he

strongly rejected the notion of effectively paying ransom to terrorists for the hostages.

Many other lawmakers in the U.S. have also been outraged in recent days by the reports that McFarlane had flown to Iran in September to negotiate with the Iranians for the release of the hostages.

Israel's own credibility has also been severely undermined because of its repeated public denials that it was involved in weapons and spare parts deals with Iran. Even Israel's best friends in Congress and the American Jewish community are confused about Israeli policy. "We don't know what to believe anymore," one aide to a top senator said.

Others recalled the many public statements by Israeli leaders, including Defence Minister Yitzhak Rabin, that Israel was not selling weapons to Iran.

But U.S. officials said that Israel, anxious both to strengthen its own ties with certain key elements in Iran and to win some lucrative weapons contracts, had strongly urged the Reagan administration to authorize the backchannel scheme.

With great sorrow we announce the passing of

**Dr. Eng. PAOLO (Shaul) SEGRE**

at the age of 80, after a short illness.

The funeral will take place today, Monday, November 10, 1986, at 12 noon at Haifa's Old Cemetery, Hof Hacarmel.

Wife: Marcella Segre nee Cantoni  
Daughter: Clelia Ben-Amram Segre  
Daughter-in-law: Nehama Raz  
Brother: Dr. Silvio and Annette Segre  
Brother-in-law: Dr. Aldo and Ahuva Cantoni  
Grandchildren: Amiram and Ronit Ben-Amram, Reut and Michael Gordon, Kineret Ben-Amram, Oz Ben-Amram, Danit Segre, Dori Ben-Amram  
Great-granddaughters: Ya'ara and Inbal Ben-Amram, and the Segre, Ben-Amram, Cantoni, Laffer, Raz, Shami and Gordon families

Please refrain from condolence calls.

The unveiling of the tombstone of our dear

**REBECCA (Betty) LEHRMAN**

will take place at Har Hamenuhot cemetery, Jerusalem, at 4 p.m., tomorrow, November 11, 1986.

Rabbi Dr. S.M. Lehman and family

With deepest sorrow,  
I announce the passing of my beloved husband

**ISRAEL (Issy) SRAGO**

in Tel Aviv.

Deeply mourned by

His wife: Diana (Dina)  
Family and friends

The funeral will take place today, Monday, November 10, 1986 at 1 p.m. at the Kiryat Shaul Cemetery.

Shiva at the home of the deceased, 30 Shai Agnon St., Tel Aviv.

הנהלת האהל



## Aquino warns army people will fight any coup attempt

MANILA (Reuters). — President Corason Aquino bluntly warned dissenting military elements last night against staging a coup and said if they should dare, he would summon the people into the streets to fight them.

It was Aquino's toughest response yet to reports sweeping Manila that military officers loyal to Defence Minister Juan Ponce Enrile were planning a coup for when she starts a four-day visit to Japan today.

In a speech to an international convention of dentists here, Aquino said, "I will not allow the armed forces of the Philippines to be destroyed by a handful of misguided elements — if, in fact, they are planning to do anything. The function of a soldier is to fight the enemy, not to fight the very government he is ordained to serve."

The president has spent days talking to armed forces chiefs and military officers, warning them not to stage a coup. The talks included a two-hour meeting with Enrile on Friday, and on Saturday Aquino told reporters he had promised to do all he could to prevent a coup.

Yesterday, referring to the February "People Power" revolt that top-

pled strongman Ferdinand Marcos and put her in the presidency. Aquino said, "If it should be necessary, I shall once more ask you (the Philippine people) to take to the streets."

"I am the President of all of our people. They have put their faith and trust in me that I shall protect and do all in my power to preserve their rights and freedoms."

She also warned leftists against trying to take advantage of her trip and said any attacks by rebel guerrillas would be met with military force.

The military last night went on full "red alert" to protect the government against a possible coup or rebel attacks while Aquino is in Japan seeking a major expansion in Japanese aid.

Col. Honesto Isleta, the chief military spokesman, said the alert went into effect after the military learned that a large number of Communist rebels had infiltrated Manila "to take advantage of the present confusion started by current coup rumours."

Earlier, thousands of people crammed central Manila in a massive demonstration in support of Aquino.

## Spain sets terms for joining EC declaration against Syrians

MADRID. — Spain will demand that dialogue between European and Arab nations be a stated goal in any declaration arising from the European Community (EC) foreign ministers meeting in London today, Spanish Foreign Minister Francisco Fernandez Ordonez said here yesterday.

Speaking on national television, Fernandez Ordonez said, in reference to the meeting which is aimed at deciding measures against Syria, that Spain would not sign any declaration that failed to take into account "the necessity of pursuing dialogue with Arab countries."

The Foreign Minister did not, however, specifically refer to Syria. He said Spain had a two-fold policy for the meeting. First, Madrid would support anti-terrorist action, and then would call for a constructive attitude in Europe's talks with Arab nations.

Britain is pushing for sanctions against Syria after London charged Damascus with involvement in an attempt to blow up an El Al airliner at London's Heathrow airport last April.

President Hafez al-Assad himself voiced confidence on Friday that economic pressures or military threats, aimed against Syria, would amount to "a losing bet."

Analysts said his confident tone

sprang from the show of solidarity with Damascus revealed in Soviet reaction to the London charges and to what was seen here as a measure of independence displayed by some EC nations, notably France, West Germany, Spain and Greece.

France and West Germany yesterday predicted the EC will reach a common stand on calls for anti-terrorist sanctions against Syria, but refused to say if they would back tough action. Prime Minister Jacques Chirac and Chancellor Helmut Kohl spoke to newsmen after discussing British and U.S. calls for diplomatic sanctions against Damascus during private talks at Kohl's home near Ludwigschafen.

In Paris Saturday, Premier Jacques Chirac said that a "break with Syria would diminish France's ability to live up to its responsibilities in Lebanon."

The prime minister was addressing representatives of France's Jewish community.

Chirac affirmed France's solidarity with "nations hit by this plague of terrorism, wherever it may come from." He said his country was diplomatically passing a word of warning to "those who might be tempted to grant even passive support to terrorists or to entertain ambiguous relations with them."

(AFP, Reuters)

## Romania meeting won't halt PLO strikes

TUNIS (Reuters). — The PLO will continue its military operations against Israel despite its meeting with Israeli leaders in Romania, a PLO military chief said.

PLO leader Yasser Arafat's military deputy, Khalil al-Wazir, told Reuters in Tunis last night that the meeting in the Romanian town of Constanta on Thursday was a success even though it broke up after only two hours.

Wazir, also known as Abu Jihad, said the meeting, attended by 29 Israelis and 15 Palestinians, was not intended as a forum for negotiations but a challenge to an Israeli law passed three months ago banning

such contacts.

Asked about a PLO statement after the meeting indicating that military operations would continue, Wazir said:

"We, as an oppressed people suffering under Israeli military occupation, have our right to face Israeli fascism by all our means, by our military struggle, which we are not stopping."

"We have the right to continue and to escalate it day by day," Wazir said. The meeting had the full support of the PLO leadership and had also resulted in the Israeli side expressing support for Palestinian self-determination.

## Sabotage theory in Bangkok train crash

BANGKOK (Reuters). — Thai Communications Minister Banham Silpa-Archa has hinted that six locomotives might have been deliberately sent crashing into Bangkok's main railway station, killing seven people.

The string of locomotives hurtled six kilometres down a line from a repair yard, speeding through level crossings, hitting a taxi and a motorcycle. Four ploughed through buffers and into Hua Lumpong Station just after most people had been cleared from the platforms.

## Nakasone offers to help heal Sino-Korean breach

PEKING (Reuters). — Japanese Prime Minister Yasuhiro Nakasone said yesterday his country was willing to act as a bridge between China and South Korea to help develop relations.

Nakasone, on a brief 24-hour visit to Peking, told a news conference he had passed on messages from the South Korean government to the Chinese communist leadership expressing hopes for more ties.

He said the messages spoke of South Korea's strong hope for the development of sporting, trade and other non-official contacts with China, and also that China would attend the 1988 Olympic games in Seoul.

Chinese communist party chief Hu Yaobang expressed gratitude for the warm reception given to Chinese athletes at the Asian games in Seoul in September, Nakasone added.

"If necessary, Japan is willing and able to act as a bridge between China and South Korea," he said.

The two countries do not have diplomatic relations but unofficial contacts, particularly in sports and trade, have grown swiftly in the past few years.

Japanese sources said last night that Nakasone had also passed on a message from Seoul calling for formal talks between North and South Korea, China and the United States on the Korea question.

China has previously supported North Korea's position that any such talks should only be between the two Koreas and the U.S.

On the sensitive issue of Sino-Japanese trade, Nakasone said both sides had to work to reduce the Japanese trade surplus, which hit \$5.99 billion last year.

"China must make efforts to increase its exports and on our side we must take steps to open our market. But in the process of the development of the trade relationship, some imbalance is inevitable," Nakasone said.

Nakasone arrived on Saturday to lay a foundation stone for a Sino-Japanese youth exchange centre to be built in Peking, largely with Japanese funds.

He met with top leader Deng Xiaoping and Premier Zhu Ziyang before returning to Tokyo.



Chinese leader Deng Xiaoping welcomes Japanese Prime Minister Yasuhiro Nakasone to Peking Saturday to lay the foundation stone for a new Sino-Japanese youth exchange centre. (Reuters)

## Fears for water system after Swiss accident

## Dutch act as Rhine pollution spreads

AMSTERDAM. — Dutch engineers closed sluices and locks yesterday to protect the country's extensive inland waterways from contamination by toxic waste travelling down the Rhine after a spillage at a Swiss chemical plant.

The state water authority said the first signs of pollution were detected in the Dutch section of the Rhine soon after midnight yesterday.

A week ago, water used to extinguish a fire at the Sandoz factory near Basle in north-western Switzerland carried tonnes of chemicals into the Rhine.

Dutch water engineers say they had closed sluices and locks on the extensive inland waterway system to prevent pollution entering domestic water supplies.

Initial samples taken near the West German border showed insecticides in the river had increased three-fold over normal levels and mercury concentration had doubled, he added.

Dutch inland fishermen have temporarily halted fishing in the Rhine and the Agriculture and Fisheries Ministry has warned people against eating river fish for a week.

Water authorities said no drinking water would be drawn from the Rhine or its tributaries for at least a week.

In West Germany, practically all public drinking fountains in towns tapping the Rhine for water have been shut off.

Strict water rationing orders have been in force in some places since

Saturday, with a ban on showers, bath and car washers in Unkel and Bad-Hoenningen.

The two towns' water supplies have been shut off, and unpolluted water is being delivered to residents by fire-engines.

Several breweries in Cologne and Düsseldorf have temporarily closed because of the great quantities of water they require, and which they normally take from the Rhine.

In Karlsruhe, the environmental office said that insects and crabs had been totally wiped out, while in Kehl, even closer to the accident at 110 km. from Basle, reports said that in addition to the millions of dead eels and fish littering the riverside, pollution was creeping down the food chain, poisoning herons and cormorants.



Princess Diana, Princess Anne and the Duchess of York at the Remembrance Sunday service held at the Cenotaph in Whitehall yesterday for the servicemen who fell in both World Wars. The royal trio were photographed on a balcony overlooking the Cenotaph. (Reuters)

## Venice: A time for celebration or for mourning?

By DAVID WILLY

VENICE. — For a few brief hours on Saturday the government of Italy moved en masse north to Venice. Prime Minister Bettino Craxi and six of his leading ministers met for a solemn session in the Palace of the Doges, rulers of the formerly powerful independent Republic of Venice, and reaffirmed Rome's commitment to saving its northern rival.

The occasion was a "celebration" of the 20th anniversary of the disastrous floods which nearly put a physical end to the lagoon city during a violent November storm in 1966.

Opinions are deeply divided whether there is actually any cause for celebration. The cynics argue that since the 1966 emergency, when the Adriatic tide submerged St. Mark's Square for 20 hours, nothing has actually been done to safeguard the city against another similar disaster. One expert suggested a solemn requiem in St. Mark's Basilica would be more suitable than the planned

round of official celebrations. The cynics also argue that the makings of an ecological disaster can be found in the lagoon — the watery firmament with which Venice, unique among cities, breathes and lives — because of industrial and agricultural pollution involving the spread of a new type of oxygen-killing seaweed. The dredging of a new deep-water channel for super-tankers has also upset the lagoon's self cleansing system. The dwindling of Venice's resident population to its lowest level for almost 1,000 years and the uncontrolled daily tourist invasion from early spring to late autumn, has also put what many Venetians consider to be intolerable strains upon the city's social and economic fabrics.

The optimists argue that with the equivalent of over \$1 billion in Italian government funding now available to tackle multiple projects harnessing hydraulic engineering, ecological, and architectural and art restoration skills to save Venice, the outlook for the city has never been

better. But experience over the past 20 years shows that rivalry between different branches of regional and local government and pressure from "interest groups ranging from the powerful industrialists on the mainland, real estate speculators, and the main political parties, often means that important projects are paralyzed or shelved even when the money is there."

The private funds, which have done sterling work since the 1966 emergency in restoring individual churches, palaces and works of art, are uncertain whether their continued presence in Venice is necessary. Sir Ashley Clarke, former chairman of Britain's "Venice in Peril" fund, who was made a Freeman of the city of Venice last year in recognition of his years of efforts to safeguard the city's art treasures for posterity, believes private contributions still have an important role to play. He, together with John Julius Norwich, current chairman of the fund, was among the VIPs present at

the symbolic ministerial gathering at the Doges Palace.

Plans have been drawn up to build sluice gates which would close off the lagoon at times of extra high tides, which can usually be predicted. A consortium of 27 Italian engineering companies has been formed to try to rebuild Venice's sea defences, which remain essentially as they were in the days of the republic two centuries ago.

There are now plans afoot for another celebration, this time the 200th anniversary of the political death of Venice, to be commemorated with a world exhibition to be held inside the former naval arsenal, in 1997. For many lovers of Venice the crowds that such an event would attract might put the final nail in the city's coffin. (LOS)

## MIDDLE EAST BRIEFS

### Iraqi warplanes attack tanker

BAHRAIN (Reuters). — Iraqi warplanes hit a supertanker in the northern Gulf early yesterday amid signs that Baghdad had stepped up attacks on shipping after a recent lull. Gulf shipping sources said the 115,871-tonne tanker Angel had been hit and its crew taken off without injury.

### Kurdish groups join forces against Iraq

NICOSIA (AP). — Two major Iranian-backed Iraqi Kurdish groups have agreed to coordinate and expand their operations against the Iraqi regime. Iran's official Islamic Republic News Agency reported Saturday. The agency, monitored in Nicosia, said the agreement was reached in an Iranian-sponsored meeting in Teheran recently between the Kurdish Democratic Party of Edris Barzani and the Marxist Patriotic Union of Kurdistan of Jalal Talbani.

### Khomeini says republic will survive him

TEHERAN (Reuters). — Iran's spiritual leader Ayatollah Ruhollah Khomeini, 85 and acknowledging that "death comes to everyone," said yesterday the Islamic republic he founded in 1979 would survive him. The republic had shown "it depends on no individual, rather on the nation, on the armed forces," he said in his first broadcast speech in two months.

Khomeini, said by Iranian opposition radios to have been in poor health because of an aggravated heart condition, told his visitors: "death comes to everyone, of course, to us, too."

### Gulf paper criticises reported U.S.-Iran deal

DUBAI (Reuters). — A leading Gulf newspaper said yesterday that reports of secret U.S.-Iranian arms-for-hostages deals could only cause concern in the Arab world and clarifications by Washington were called for. "If the Americans in any way really start to bolster the Iranian war effort, it will directly affect Iraq and harden Iranian intransigence...it can only lead to a prolongation of the Gulf war," said the *Khaleej Times* in an editorial.

### Lebanese Amal militia frees Palestinians

TYRE (Reuters). — The Shi'ite Muslim Amal militia yesterday freed at least 180 Palestinians captured during fighting in south Lebanon, militia sources said. The sources said 140 Palestinians captured at Rashidiyah camp near Tyre three weeks ago were released here and another 40 were freed near Sidon 35km. north of Tyre.

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## Indian police swoop on Tamil rebels

NEW DELHI (Reuters). — A police swoop Saturday on more than 1,000 Sri Lankan Tamil militants in south India could flare into a major political crisis for Prime Minister Rajiv Gandhi before he meets Sri Lankan President Juvins Jayewardene next week.

A police spokesman said guerrillas from five main groups were detained briefly for questioning in Tamil Nadu state. Indian newspapers, however, also reported the seizure of large quantities of arms from homes and offices of militants.

"We just wanted to question them...There is nothing to worry about," a Tamil Nadu police spokesman told Reuters.

But Gandhi, seeking to limit political damage caused by the raids in a state with 50 million Indian Tamils, met Tamil Nadu Chief Minister M.G. Ramachandran hours after the action.

Ramachandran told Gandhi that the guerrilla groups had rejected Sri Lanka's latest proposals to end a bitter ethnic conflict between the island's Sinhalese majority and its Tamil minority.

The respected *Hindu* newspaper said the brief detention of guerrilla leaders could further alienate them from talks between Gandhi and Jayewardene at Bangalore, where

the two leaders will attend a south Asian summit this week.

India has played a mediatory role in the ethnic crisis, but has failed to persuade the militants, especially the powerful Liberation Tigers of Tamil Eelam (LTTE), to negotiate a settlement.

The raids came one week after one man was killed in a clash between militants and residents of Madras, to

which most of about 100,000 Sri Lankan Tamil exiles fled after 1983.

Tamil activists say the seizure of arms was likely to be raised by Jayewardene when he meets Gandhi at Bangalore. While the *Hindu* pointed out that it could be seen as conclusive evidence of India's "hitherto tolerant attitude in allowing these militants to function from Tamil Nadu and acquire arms."



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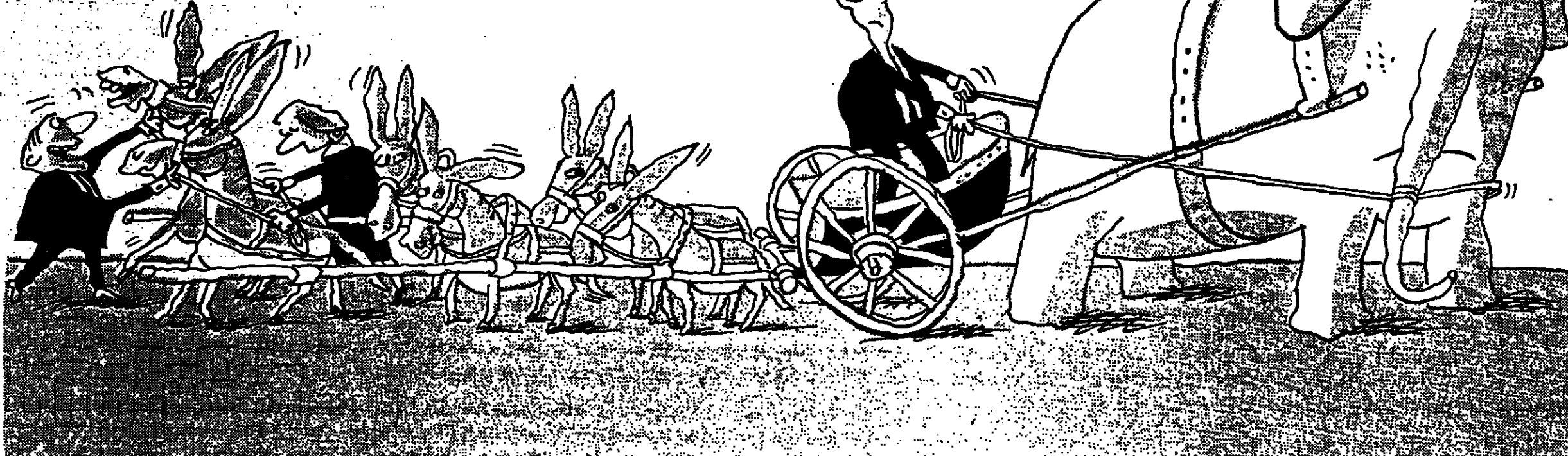
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# A Delicate Balance



## After a Battle Bereft of Ideas, No Clear Agenda

By E. J. DIONNE Jr.

On the eve of the 1980 election, Daniel Bell wrote a book titled "The End of Ideology." Mr. Bell's prediction was premature, followed as it was by the rise of New Left in the 1960's and the New Right in the 1970's. But Wednesday morning, the social thinker's arguments looked rather good again, especially in his subtitle's reference to "the exhaustion of political ideas."

In 1980, the vogue was that liberals had run out of ideas; in 1986, everyone had, or so it seemed.

Where in other elections of the 1980's Republicans proudly carried the President Reagan's philosophical banner, in this one they seemed to duck for cover, abandoning Administration programs, especially on trade and farming, wherever they deemed it prudent.

Adopting the strategy of the Democrats, the Republicans tried to win by attacking the Democrats' "la carte" campaign, attacking themselves on the issues of the country and using issues as they found them — nuclear waste in Nevada and Washington, trade in North Carolina, the farm crisis in the Dakotas, Social Security almost everywhere. The party's 1984 Presidential nominee, Walter F. Mondale, had taught some lessons about what not to do: Never talk about tax increases, and forget about the deficit except as an occasional rhetorical club to make the Republicans look like big spenders.

It did not add up to a program of government, but it yielded a gain of eight seats in the Senate, beyond the imagining of even most party optimists. In the face of a 22-state campaign by President Reagan, who asked Americans to cast one more vote for him by backing Republicans, a sweep in the South and advances in the West turned the Democrats' 47-to-53 seat deficit to a 55-to-45 seat majority.

In the House, the new lineup was 258 to 177. Republicans tried to argue that their narrow loss of five seats was really a victory. At the very least, most ana-

lysts agreed, this small shift showed that 1986 marked something less than a full-scale rebellion against them. In the governorships, the Republicans legitimately claimed triumph. Their net gain of 8 new statehouses gave them control of 24 of the 50 states. The party last had a gubernatorial majority in 1969.

As a result of all this, the national political landscape resembles a freshly cleared construction site. On the one hand, the Republicans under President Reagan have largely wiped out the historical Democratic advantage among certain groups of voters and in certain regions of the country. But the Democrats have ended much of the talk about a "realignment" toward a permanent Republican majority.

The delicate balance can be seen most clearly in the South. The Democrats took back four Senate seats they had lost in 1980, but the Republicans elected four governors, with Texas and Florida the most important, in terms of electoral college votes.

"Everything is open," said Peter D. Hart, a thoughtful Democratic pollster. "There is no clear agenda on either side." That includes the outlook for the 1988 Presidential contest.

The problem for the Democrats between now and Election Day 1988 — and particularly for the new Senate majority — is that most of them believe two things about higher taxes: They are necessary, and they could be political suicide. That is why the Democrats avoided the tax issue this year. It is also why they have no mandate to pass any new ones.

Not just the Mondale experience of 1984 but the modern tools of campaigning remind politicians that taking stands can have a high cost. Every candidate up for election in 1988 — including 19 Democratic Senators and 14 Republicans — knows full well that any vaguely controversial vote may be held against him, perhaps even dislodged, in a 30-second television commercial.

In the 1986 campaigning, for example, almost any Republican vote that could be construed as against

Social Security, that monument to the New Deal, was used by Democrats with an effective vengeance, demonstrating that in the field of campaign technology the Democrats have learned to hold their own.

In many places, they managed to turn the Republicans' continuing financial advantage into an issue, pillorying them for accepting money from "toxic polluters," "big bankers" and other villains. In some states, heavy Republican advertising gradually became just another piece of evidence in the Democrats' indictment.

But as the new masters of the Senate, the Democrats are likely to make more progress in raising money from special interests. Here is one place an ideological struggle could begin anew. Some new Democratic Senators, such as Wyche Fowler Jr., until last week a Georgia Representative, and Kent Conrad, North Dakota's tax commissioner, ran as tribunes of the people against the powerful interests.

National Democrats who point to such victories as a sign for the future say that too much centrism will mean too much "me-too" politics and a loss of populist verve. But the many Democrats who avoided attacks on President Reagan can argue that a little "me-too" politics went a long way on Tuesday.

There are Democratic victors who clearly are members of the party's liberal wing. But the cautious things many of them said to get elected suggested that one of the more lasting changes of the Reagan years may be the moderation of the political discourse.

On the Republican side, conservatives argue that by having no theme, Republicans threw the election away. "The Republican Party played defense even when it had the ball," said Richard Viguerie, a New Right leader. Yet the failure of candidates on the religious right, such as Representative Bill Cobey, a North Carolina Republican, and State Senator James Butcher, who lost a House race for a traditionally Republican seat in Indiana, suggested that conservative

ideological, or conservative evangelical, politics may not be the wave of the future. As one Republican official commented: "Voters were telling Republicans: 'Lighten up a bit.'"

That may not be a bad message to draw from the entire election. For all of the emphasis on high technology and television, the 1986 election was in many ways an old-fashioned affair, with the "outs" attacking the "ins" on any issue that came to hand. If that meant there was little in the way of ideological definition, it meant there was a lot in the way of partisan brawling. The new leadership of the 100th Congress — and, again yesterday in his weekly radio address, President Reagan — have assigned themselves one monumental task: the disorder of the Federal deficit. They may not be able to do that job without doing another, that of keeping the brawling in hand during the run-up to 1988.

## 'Glasnost' brings fresh air to Moscow

3

### U.S.-Soviet Impasse

## No Progress At Vienna

VIENNA **B**ECAUSE the Soviet-American summit meeting in Iceland had ended ambiguously, Secretary of State George P. Shultz hoped to use his meeting here last week with Foreign Minister Eduard A. Shevardnadze to clarify whether the two sides were moving toward agreements on arms control. But after two days of talks, the situation remained unclear.

An aide to Mr. Shultz said the failure of the talks was related to Soviet opposition to the American "Star Wars" space-defense system and the Democrats' winning control of the Senate. Whatever the cause, with nothing solid to show after the two exchanges, Administration officials are likely to be wary of scheduling further high-level talks with Moscow unless success is guaranteed.

No date was set for another meeting, and there was doubt whether Mikhail S. Gorbachev, the Soviet leader, was likely to visit the United States soon.

Mr. Shultz and Mr. Shevardnadze had come to Vienna for the opening of a 35-nation conference to monitor compliance with the 1975 Helsinki agreement on security and cooperation. Human rights, an important part of the Helsinki accord, figured prominently in the Shultz-Shevardnadze talks.

Mr. Shultz has repeatedly made the point that arms control accords could be jeopardized if Moscow does not make progress in human rights.

Mr. Shevardnadze, in his speech to the conference, said his country was taking steps to "resolve in a humanitarian spirit problems relating to family reunification and mixed marriages." He also said the Soviet Union would like to convene an international conference on human rights in Moscow.

At week's end, it was disclosed that Moscow had issued new regulations on emigration that purportedly will ease the process of leaving the country. — BERNARD GWERTZMAN

### Hostage Release Linked to Military Supplies for Iran

## Principle and Pragmatism in Foreign Policy



David P. Jacobsen at Andrews Air Force Base, embracing Peggy Say, sister of Terry A. Anderson, a hostage.

By DAVID K. SHIPLER

WASHINGTON **S**HORTLY before the release last week of David P. Jacobsen, an American who had been held hostage in Lebanon by pro-Iranian Shiite Muslims, a Danish freighter reported to be carrying military supplies left the Israeli port of Eilat bound for Bandar Abbas, Iran. According to officials in Jerusalem and Washington, it was the latest episode in a secret program by the Reagan Administration to use shipments of military equipment for two purposes: in the short run to buy freedom for American hostages, and in the longer term to maintain contact with moderate elements in the Iranian officer corps in the hope of repairing relations with whatever rulers follow Iran's fundamentalist leader, the Ayatollah Ruhollah Khomeini.

Reports of the arms deliveries surfaced after the Iranian press agency reported that Robert C. McFar-

lane, the former White House national security adviser, flew to Teheran on a secret mission earlier this fall carrying a cake shaped like a key and a Bible signed by President Reagan — peace offerings of a sort. Mr. McFarlane declined to comment. Whether or not the bizarre details were true, experts figured that such a trip would not have been made without encouragement from some Iranian political faction. Secretary of State George P. Shultz also declined to comment, but State Department officials said the situation had strained relations between him and the White House because he had opposed the covert mission. "If the Secretary is going to resign over something, this is it," one of his aides said.

There is always a certain slippage between principle and pragmatism in foreign policy, but rarely has the point been illustrated so dramatically. Most of Iran's weapons are American-built, acquired before 1979, when the Ayatollah Khomeini took power and began to denounce the United States as the "Great Satan." President Reagan, who has thunderously declared his refusal to bargain with terrorists, came into office exhorting his opponent, President Jimmy Carter, for weakness in the face of Iran's seizure of the American Embassy in 1979, when United States citizens were taken hostage and 52 of them held for 444 days. It was President Carter who signed an executive order after the embassy takeover barring the transfer of arms to Iran, including \$30 million worth of weapons and spare parts the Iranians had paid for. Technically, the embargo remains in force.

That a tough-talking Administration is apparently willing to pay ransom for innocent Americans who are grabbed in Beirut raises some knotty questions and poses some risks. The impression may be created, some experts worry, that Washington is prepared to buy favors from states that control terrorist organizations.

This could undermine its criticism of France, for example, which has maintained a policy of cooperation with Syria, even after evidence surfaced in London of Syrian intelligence involvement in an attempt to blow up an Israeli airliner. The arms deliveries to Iran have also brought expressions of concern from Iraq — which has been at war with Iran since 1980 — and from the Washington representative of the Arab League, Clovis Mak-soud, who noted that Secretary of State Shultz had pledged American neutrality in the war. Indeed, State Department specialists, who said they had not been consulted on the weapons deals, believe an Iranian victory

would be disastrous for the American position in the Persian Gulf region.

On the other hand, the arms shipments, reportedly arranged by officials in the National Security Council, seem unlikely to promote an Iranian victory. The Israelis do not want Iran to win, but in the conviction that Iran has great strategic importance in the region, they wish to cultivate pro-Western elements in Teheran. Therefore, they have spent several years pressing Washington for permission to send American-made ammunition and spare parts to Iran. Now, officials explain, Israel sends sporadic shipments of older equipment, then receives the latest versions as replacements from the United States.

But judging from Iran's military handicaps, the supplies seem to be having little impact. "There is a big difference between an occasional delivery of some spare parts and the opening of a more routine pipeline of supply, maintenance and technical advice," one Administration specialist observed. Of the hundreds of American-built planes in Iran's air force, he said, no more than 40 to 50 were fully functional, and only four to five were in the air each day. He added that Iran was purchasing expensive 1960's equipment from North Korea. The American-built Hawkeye missile batteries on Kharg Island, the site of a crucial oil depot, "are not working," he said, and the Iraqi air force has been conducting strikes with impunity since mid-July.

The war has thus become disastrous to Iran's economy, reducing oil production from 2.2 million barrels a day before the fighting to 800,000 a day now, according to a State Department official, who said refineries are working at half capacity. Combined with the drop in world oil prices, this has meant a fall in revenue, from \$15 billion or \$16 billion in 1985 to an estimated \$6 billion this year. In addition, the Iraqis have hit internal oil distribution facilities, the official said, forcing Iran to buy each day 300,000 barrels of refined products, mostly kerosene, which is used for cooking and heating.

The implications are unclear. The Ayatollah Khomeini has elevated the war to a religious duty, and in an August sermon accused unnamed factions of treason for suggesting compromise. But unconfirmed reports say the Ayatollah, now in his middle 80's, is ill. And experts surmise that political elements, looking toward a post-Khomeini era, are maneuvering for position.

It is into this murkiness that the United States is putting its coin of weaponry.



# The World

## Fears of a Coup By the Military Increase in Manila

Fears of a coup to oust President Corason C. Aquino increased in the Philippines last week.

The head of the nation's military, Gen. Fidel V. Ramos, warned Thursday of a possible plot by disaffected officers. His office said he had "warned any military adventurers against embarking on such a rash course of action because it could be bloody and destabilizing." A day later, a coup by officers loyal to Defense Minister Juan Ponce Enrile was reported to have been narrowly averted.

Mrs. Aquino said the military had been placed on full alert, but she was confident there would be no coup. She said Mr. Enrile had promised to "do his best" to prevent trouble while she visits Japan this week.

Mr. Enrile and General Ramos were instrumental in ousting Ferdinand E. Marcos from the presidency in February and installing Mrs. Aquino. But in recent weeks, Mr. Enrile has grown more critical of Mrs. Aquino. He has said she should hold a presidential election next year, but

State for Inter-American Affairs. "There isn't any way for the people of Nicaragua to find out what's going on in Nicaragua. The control of the means of communications is crucial. The Sandinistas now have total control, and the resistance wants to break that."

The new station, to be called Radio Liberación, is to carry "the political message of the democratic resistance," according to a Washington-based contra spokesman, Ernesto Palazio, who added that it would also carry objective news reporting. "If we take a wishful-thinking attitude," he said, "or begin misleading the Nicaraguan people, that will surely backfire."

## U.N. Cuts Back In Budget Crunch

The United States, pressing for cuts in the international bureaucracy, is withholding part of its usual contribution to the United Nations, and last week Secretary General Javier Pérez de Cuéllar seemed to acquiesce. He informed 11 senior aides that their contracts would not be renewed at the end of the year.

The United Nations spokesman,



Gen. Fidel V. Ramos

Agence France-Presse

she has announced plans for a vote on a new constitution that would give her a full six-year term.

She said last week that a national legislative election would be held May 11, followed shortly by voting for local offices. Those elections are to follow the vote Feb. 2 on the proposed constitution.

Mr. Enrile, a likely contender for the presidency, has criticized Mrs. Aquino's handling of a number of issues, including official corruption and the Communist insurgency.

## Pretoria Persists In Confrontation

South Africa pursued its tactics of confrontation last week, threatening neighboring countries and closing 40 more black schools.

Foreign Minister Roelof F. Botha displayed papers he said had been found in the wreckage of the plane in which President Samora M. Machel of Mozambique died on Oct. 19. He said one document showed that Mozambique and Zimbabwe were plotting against Malawi, which has been accused by its black-ruled neighbors of harboring South African-supported guerrillas harassing Mozambique. "The whole of southern Africa would pay a heavy price," Mr. Botha warned, "if their plans were put into operation."

In Mozambique, Interior Minister Teodato Hunguana dismissed the South African charges as an attempt to divert attention from an incomplete investigation of the crash.

As for the black schools, South Africa said they would not be reopened until students and their parents were ready to cooperate in ending protests against segregation. The authorities have closed 71 schools in the restive Eastern Cape and 10 in Soweto, the black satellite of Johannesburg.

Militant youths wielding whips and knives recently disrupted university entrance examinations; the Government said only 1,500 of 6,000 eligible students were able to take them.

## Contras Plan Assault by Radio

The Nicaraguan rebels plan to use a powerful new radio station to promote their anti-Sandinista ideas. Reagan administration officials said last week that the 50,000-watt AM station would be as powerful as any in the United States and would cover all of Nicaragua.

The station would receive technical assistance from the United States, but a spokesman for the rebels said it would not be funded with any of the \$100 million Congress approved for the rebels, or contras.

At the moment, said Elliott Abrams, the Assistant Secretary of

François Guiliani, insisted that Mr. Pérez de Cuéllar had decided on his own to make the cuts, which affect 18 percent of the top jobs, and was not reacting to General Assembly consideration of a proposal to reduce them 25 percent.

The potential impact of the cut on the \$832 million budget was not clear. Some of the displaced officials will draw retirement pay. Others may be replaced by lower-paid functionaries. Some of the positions may be left vacant, Mr. Guiliani said, leaving open the possibility that replacements might be hired for the jobs, which pay \$121,000 and \$107,000 a year.

The 11 aides — five Under Secretaries General and six Assistant Secretaries General — are nationals of Belgium, China, Japan, Mali, Nigeria, Pakistan, Spain, the Soviet Union, the United States and, in two cases, Syria.

## Violence Erupts Anew in Haiti

The leader of Haiti's provisional Government, Lieut. Gen. Henri Namphy, warned in June that the country was "on the edge of anarchy." But things were quiet until late summer, when violent crime increased and business stagnated. Civilian politicians renewed their demands for the resignation of the Government, which they blamed for failing to address the problems of the country, the hemisphere's most impoverished.

Last week, new violence erupted and a policeman was killed. Radio stations in Port-au-Prince, the capital, broadcast an appeal for businesses to release their employees to join an anti-Government march Friday. After a peaceful morning demonstration, the protesters regrouped in the afternoon, and rock-throwing and gunfire broke out.

The police said they had come under attack outside the headquarters of Radio Soleil, a Roman Catholic station that has criticized the military Government. The station had played a leading role in the criticism that led to the collapse of President Jean-Claude Duvalier's regime in February.

The demonstrators said they were protesting the disappearance of a literacy worker who was last seen being arrested and the death late last month of a truck driver shot by an army officer. They were also angered by the recently announced formation of a political party that espoused the philosophy of François Duvalier, the father of Jean-Claude, who was Haiti's strongman for 30 years until his death in 1971.

Milt Freudenheim and James F. Clarity

## Agreement Could Have Made the Unthinkable Thinkable



Prime Minister Margaret Thatcher and, inset, the Labor Party leader Neil Kinnock.

J.B. Pictures/Judith Passow (Thatcher); Gamma-Liaison/Georges de Keerle

## Reykjavik Was a Shock At 10 Downing Street

By JOSEPH LELYVELD

**T**HANK God for Gorbachev and S.D.I.," a key official remarked, voicing the reaction of Prime Minister Margaret Thatcher and her advisers to what they saw as the dangerous might-have-beens of the accords their closest ally seemed ready to embrace at the Reykjavik summit.

This private British response was well masked in public with careful point-by-point assessments of a deal that could have encompassed the elimination of intermediate-range missiles in Europe and the acceptance, in principle, of the elimination of strategic missiles, even all nuclear weapons. The British response, which Mrs. Thatcher will convey when she calls on Mr. Reagan at Camp David Saturday, took into account the strategic implications for Europe of a brave new, nonnuclear world. But that is not a world anyone here really expects to see, so it was not really what the Prime Minister found so unnerving.

What gave the heady superpower diplomacy a sharp cutting edge for Mrs. Thatcher was the clear implication that an American President for whom she has routinely endured political calumny as a Reaganite "poodle" might be ready to negotiate away before the next election the politi-

cal ground on which she has been making her stand. After all, if the United States could contemplate the elimination of strategic missiles, then why was it so unthinkable to do what the opposition Labor Party is promising and phase out Britain's own nuclear deterrent? If the United States was ready to talk about withdrawing its nuclear weapons from Europe as part of a larger deal, then how could it be a fundamental threat to the alliance to demand — as Labor says it would — that those same weapons be removed from Britain?

### The '19th Industrial Power'

Reykjavik, in seeming to brush aside the alliance's central assumptions, had the potential to spread British doubts, as a Financial Times columnist put it, that the world's nineteenth industrial producer still needs to be its fourth nuclear power.

The mere thought that a superpower agreement could have made the unthinkable thinkable for many voters made Reykjavik, a well-placed official said, an even greater shock in the upper reaches of the Thatcher Government than President Reagan's sudden announcement nearly four years ago of the space-based weapons system nicknamed "Star Wars."

Then, the President was threatening to abandon the doctrine of deterrence that Britain

credits with keeping the peace in Europe. But that was a vision rather than an immediate prospect. In the case of Reykjavik, or so it seemed, assumptions might have changed overnight. The clear irony was that the Thatcher Government could now feel grateful for the President's adherence to his Strategic Defense Initiative, which it had initially feared as an impediment to arms control.

The question of whether Mikhail Gorbachev will ever again be ready to "delink" the linkage he re-established in Iceland between progress on intermediate-range missiles in Europe and an agreement forestalling tests of new space weapons also has heavy political implications in the British context. Mrs. Thatcher would like nothing better than to tell the voters, when she summons them to the polls next year or early in 1988, that steadfastness on the deployment of cruise missiles, which the Labor Party opposed, had yielded a safer, missile-free Europe.

But her main concern is to keep great new strategic visions on the far side of her political horizon. Her opponents, meanwhile, are watching negotiations in Geneva and Vienna on the assumption that what happens there could transform the context of the debate on Britain's nuclear posture.

Since Reykjavik, the Labor Party's Neil Kinnock has condemned Star Wars for halting "progress towards an arms-control agreement of historic proportions." But he has praised President Reagan for "very sensibly" sticking to his proposals for eliminating strategic missiles in 10 years. Evidently, the Labor leader, who plans to make his next major defense speech at Harvard, is prepared to run on a Reagan-made peace platform. Mrs. Thatcher, who has just nudged ahead in the polls for the first time this year, would hardly consider that fair.

## Germany's Social Democrats Feel Backlash at the Polls

## Union Scandal Idles Some Politicians



The BGAG chairman, Alfons Lappas (center), at IG Metall union meeting in Hamburg last month.

By JAMES M. MARKHAM

**T**HREE months before national elections, Bonn West Germany's trade unions are in the headlines and in trouble. And that is very bad news for the Social Democrats, the opposition party that is trying to convince itself and the country that it can oust Chancellor Helmut Kohl's center-right coalition Jan. 25. Already in dismal shape, the Social Democrats are finding their historically close ties to the unions an electoral albatross.

In a sense, the mighty German Labor Federation, operating in a nation where 38 percent of the 22 million members of the labor force are unionized, is a victim of its own success. Once the pride of a restored German democracy — disciplined, militant when necessary, but flexible and far-sighted enough to make concessions that created jobs over time — the union federation took advantage of the country's postwar boom and went into business itself.

That decision was in keeping with German and Scandinavian trade union traditions, and it gave the federation economic muscle useful in labor negotiations. In the boom years, a sprawling union holding company, known by its German initials, BGAG, did well in banking, insurance and housing. Unlike its capitalist counterparts, how-

ever, it had difficulty imposing belt-tightening discipline in the leaner 1970's.

Four years ago, massive corruption and mismanagement were uncovered in BGAG's housing concern, Neue Heimat, which with 190,000 units and 900,000 tenants is the biggest in Western Europe. A few managerial heads rolled, but the rot was not checked, and tenants became nervous.

Now a second installment of the sleazy Neue Heimat story has seized public attention just in time for the elections. With the concern sagging under \$8.5 billion in debt and tipping into bankruptcy, the holding company sold Neue Heimat to Horst Schlessner, an obscure Berlin businessman, for a token price, one deutschmark.

### An Outcry in Bonn

This unloading was seen as an admission of gross union mismanagement; Neue Heimat's losses are running at \$300 million a year. The sale raised an outcry in Bonn, where a parliamentary subcommittee began to probe union business practices. The federation has also decided to sell more than half of its bank and is expected to sell half of its insurance company.

When the parliamentary committee summoned Alfons Lappas, the BGAG chairman, he refused to testify. In Hamburg, marshals appeared and arrested him in the hall where IG Metall, the biggest union in the world, was holding its congress. Tempers flared, and from the

podium one union leader angrily compared Mr. Lappas' detention to the Nazis' suppression of freedom in 1933. After five days in jail, Mr. Lappas was freed on appeal and was shown on television being whisked away in his chauffeur-driven Mercedes. Then, a Bonn court ruled that the union executive should be imprisoned again if he continued to balk at testifying, but Mr. Lappas appealed to the supreme court.

Revelations about Mr. Lappas' super-bourgeois lifestyle did not endear him to the blue-collar rank and file. The executive has a villa built on Neue Heimat land in the rolling countryside north of Frankfurt, favored by bankers and other capitalists, and he indulges in bear-hunting in Hungary and safaris in Kenya. "There are things that happen in this republic that no one could imagine," exploded Heiner Geissler, a leading member of the governing Christian Democrats. He pointed out that Mr. Lappas, while earning \$367,000 a year, was being "cheered as a hero of labor at a union congress."

The voters' reaction to the Neue Heimat scandal has been emphatic. In Bavarian state elections in September, the Social Democrats won a miserable 27.5 percent of the vote — their worst showing since World War II. The losses were heaviest in districts of Munich and Nuremberg where Neue Heimat tenants reside.

Party strategists fear a similar backlash today in state elections in Hamburg, where the Social Democrats hold an absolute majority and where Neue Heimat has its headquarters. "It's hurting us a lot," conceded Peter Glotz, a top Social Democrat in Bonn, seated under a red-and-white flow chart showing the high points of the Social Democrats' underdog campaign for the Bundes tag elections in January.

While sympathizing with the Social Democrats' plight, German trade unionists are worried more about their own. Privately, they acknowledge that the unions are passing through their deepest crisis of confidence since the war. And, with little prospect of evicting the Kohl coalition in January, they fear a piecemeal erosion of the gains made during the 13 years the Social Democrats had been in power.

Already, the Kohl Government, over angry union protests, has pushed through a law that prevents workers' being pushed into a strike from collecting unemployment pay. And the Neue Heimat parliamentary committee promises further headline-catching revelations about squandered union monies and high-living functionaries like Mr. Lappas, who was unflatteringly featured on the cover of a recent issue of Der Spiegel as "Der Bonze" — "The Bigwig."



Embarrassing Numbers Are Published and McDonald's Is Praised

## Greater 'Glasnost' Has Turned Some Soviet Heads

By SERGE SCHMEMMANN

**G**LASNOST is one of those Russian words with no direct equivalent in English. It is usually translated as "openness" or "publicity," but both fall short of the broad Russian meaning derived from "glas," the poetic word for "voice." To give glasnost is to give voice, to speak out boldly and openly.

Of all the aspects of Mikhail S. Gorbachev's new leadership style, none — with the possible exception of the war on vodka — has had so visible and far-reaching an impact as his call for greater glasnost in Soviet life.

"The matter of broadening glasnost is a matter of principle for us," the Soviet leader said at the Communist Party Congress in February. "And it is a political matter, too. Without glasnost there is not, and there cannot be, democratization, the political creativity of the masses and their participation in management."

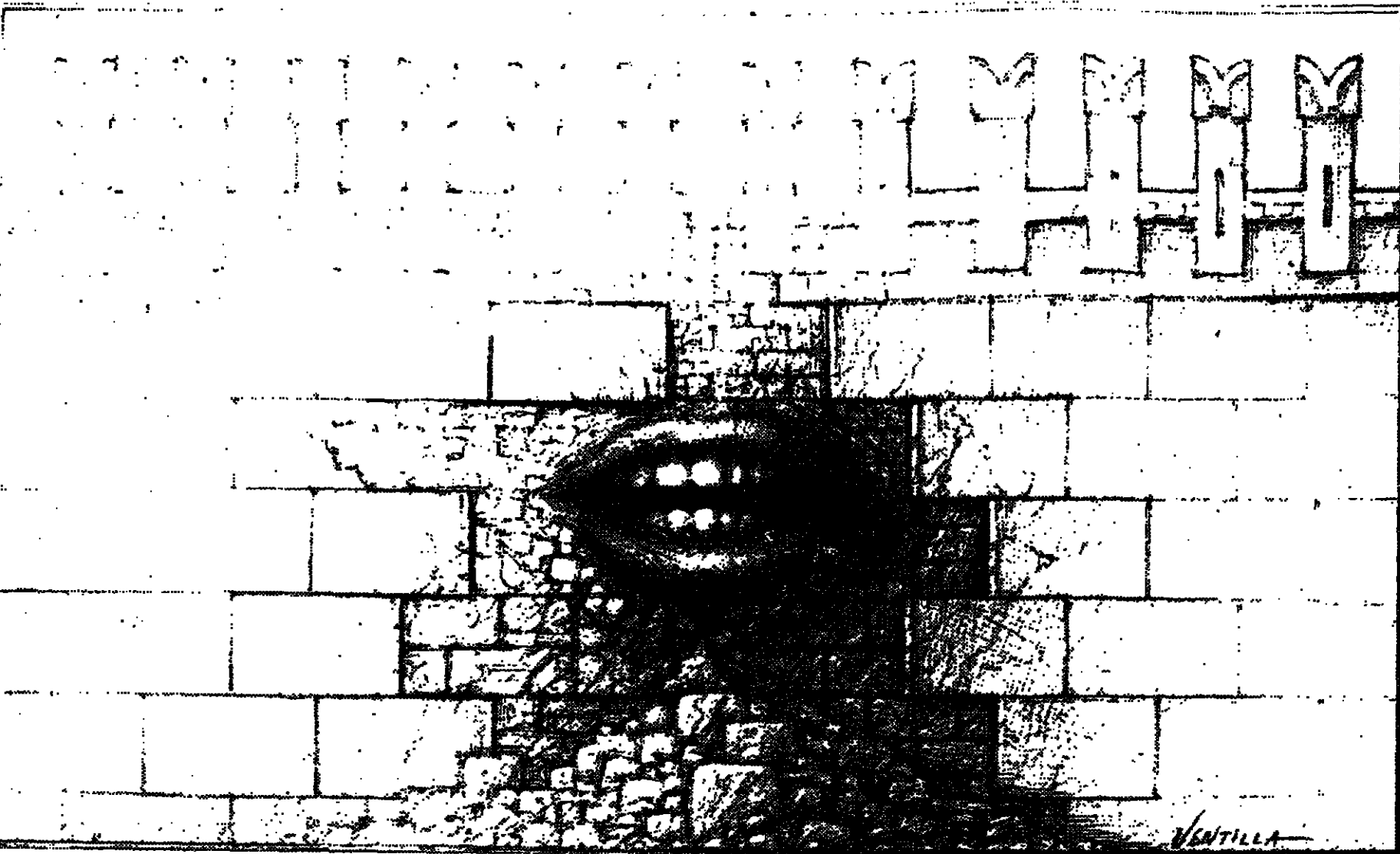
Conditioned by hard experience to be cautious in taking such calls too literally, Russians reacted slowly at first. The poet Yevgeny Yevushenko's call for glasnost before the Moscow writers' organization in December 1985 was carefully trimmed in the printed version.

Since then, the glasnost campaign, prodded regularly by Mr. Gorbachev and his top aides, has steadily gathered momentum, and now new sensations in print, on television, in the theater or in movies seem to come at dizzying speed.

In recent weeks, literary journals have announced plans to publish long-suppressed works, ranging from those by the Russian-American novelist Vladimir Nabokov to a novel on Stalinist times by Anatoly Rybakov. Special Moscow audiences have been shown "Repentance," a brilliant film by the Georgian director Tengiz Abuladze on Stalinist terrorism. The Communist Party newspaper in the Moldavian Republic sharply criticized the local party chief for padding the books, the first time an official of such stature had been reprimanded publicly.

The statistical yearbook revived the publication of embarrassing figures on grain harvests and child mortality. State television showed an American documentary on Soviet émigrés, including candid talk about why they quit their homeland, and a notoriously strident television correspondent, Vladimir Dunayev, gave an unexpectedly approving report on McDonald's restaurants, suggesting that their cleanliness and efficiency were something the Soviet Union might emulate.

In the field of foreign affairs, Soviet spokesmen seem more visible and aggressive. A platoon of officials followed Mr. Gorbachev to Reykjavik to brief reporters, and in the aftermath of the summit Foreign Ministry officials gave a series of briefings assailing President Reagan's version of events, even taking the unusual step of publicizing statements the President



Iranian G. Ventilla

reportedly made to Mr. Gorbachev.

Last week, the Novosti News Agency told American editors that two officials were standing by phones in Moscow to answer questions about Afghanistan. No calls were logged in the first two days, but the officials said they would continue to be available.

According to reliable information, Mr. Gorbachev has done more than give the starting signal for glasnost. Members of the Moscow intelligentsia reported that he and some of his top allies — most notably Yegor K. Ligachev, the chief ideologist in the Politburo, and Aleksandr N. Yakovlev, chief of the Central Committee's propaganda department — had personally approved some of the developments, including the publication of Mr. Rybakov's novel and the release of Mr. Abuladze's film.

"Broader glasnost is a matter of principle, just as is honest and open criticism of those who deserve it," Mr. Ligachev said in a Revolution Day speech Thursday night. "It is only useful. It contributes to the process of cleansing socialist society of everything that is alien to it."

### The Glasnost Banner

But if greater openness has become the policy of the new leadership, it is still a policy ordered and defined from on high, channeled through media that remain very much the monopoly of the state.

In a system in which authority flows top to bottom, it is notable that the glasnost banner has been carried largely, so far, by major newspapers and cultural institutions with close ties to Mr. Gorbachev's Kremlin.

Smaller newspapers often maintain a timid deference before local party authorities. Recently, Pravda took the unusual step of reproducing the front page of a Pskov newspaper that had been suppressed by local authorities for criticizing a local exhibition.

In its first months, the campaign demonstrated how creative Soviet society could be, given even a measure of breathing room. People with longer memories compared the times with the eruption of creativity during the "thaw" of Nikita S. Khrushchev's 1960's. Some remembered, too, how abruptly that thaw ended, and how many of the writers who emerged then ended up in exile or in labor camp. But the frontiers of the permissible are still expanding day by day, and there are heady feelings in the theaters and living rooms of Moscow.

### Demand for Direct Elections Is at Issue



Relatives of students arrested during campus revolt at Konkuk University marching in Seoul last week.

## Opposition in Korea Backed Into a Corner

By SUSAN CHIRA

**B**ELEAGUERED opposition party members took heart last week when one of their leaders, Kim Dae Jung, challenged the Government, saying he would not run if it would hold direct presidential elections.

Opposition leaders hoped Mr. Kim's announcement would blunt a Government offensive that has thrown them off balance. Korean and Western analysts say. Last spring, the opposition — a loose coalition of politicians, religious leaders, laborers and students whose political views range from moderate to radical — was hiding high. Petitions and rallies calling for direct presidential elections had forced the Government to permit discussion of political change. Officials who had excoriated the petition drive as a plot to foment unrest spoke instead about heeding the evident desire for change.

But now opposition exhilaration has faded, analysts say, and the Government of President Chun Doo Hwan has regained ground. Debate about political change has stalled in the National Assembly. Rumbles of discontent have grown in the opposition New Korea Democratic Party, and a few disaffected members have resigned. A surge in violent protest and student radicalism has divided opposition politicians into critics and defenders of the students. The Government has moved shrewdly to discredit the entire opposition, contending that radical extremists are threatening South Korean security. Police rounded up 1,000 suspected radicals before the recent Asian Games in Seoul and have since arrested students, labor activists and even a well-known lawyer who had hidden an activist from the police.

Opposition politicians, although shaken by the tactics, were not direct targets until one of them, Yoo Sung-

Hwan, said unification of North and South Korea should precede anti-Communism as a national goal. Mr. Yoo was accused of violating national security laws and arrested. The incident "was a real mistake," a Western diplomat said, that "put the opposition in a position of defending an unpopular idea" to maintain party solidarity.

Next came an anti-Government and anti-American protest in which more than 1,500 students occupied five buildings at Konkuk University for nearly four days before being ousted by a police assault. The Government-guided press played up student slogans that resembled North Korean positions, saying they proved that the students were dangerous pro-Communist agitators. A Western diplomat said, however, that there was no concrete evidence that the students had been acting for or had received money from North Korea.

While some citizens complained about reported beatings of students by the police, many people also appeared to be shocked by the radicalism. Taking a tough line, the Government is pressing charges against nearly 1,300 of the 1,500 or so students detained after the protest. Hyun Hong Choo, a spokesman for the ruling Democratic Justice Party, predicted that the incident "will be a turning point in public opinion against radical students."

The opposition party, meanwhile, has appeared to flounder without producing a successor to the strategy that helped it last spring. When opposition leaders demanded concessions as a precondition for serving on a committee to draft a new constitution, their stand was portrayed as stubborn rather than principled. Some analysts are doubtful about the prospects for compromise. They say the anti-leftist campaign shows that hard-liners in the Chun Government are prevailing. Others say that the military, a crucial player in South Korea, would not stand for an opposition victory in any case.

These and related misgivings disturb moderates in the assembly. "The perception that there isn't going to be a political compromise puts the assemblymen in a real bind," one diplomat said. "They were spooked by Yoo and spooked by the Government campaign to tar them with leftism." He said some politicians have long nursed grievances against the prolonged control of the party by Kim Dae Jung and Kim Young Sam, the other main opposition leader. A small group of self-described reformers recently urged both Kims to step aside. Kim Young Sam, who was traveling in Europe last week, reportedly endorsed Kim Dae Jung's tactics.

"We have been somewhat confused, with the present situation," Kim Dae Jung conceded. But he added that he had offered not to run in hopes of prompting a breakthrough. Most analysts doubt the Government will permit direct presidential elections, but some believe Mr. Kim's offer will move both sides closer to compromise.

### Pretoria-Backed Rebels Frustrate Relief Efforts

## A War and Drought Extend The Famine in Mozambique

By SHEILA RULE

**W**HEN the rain finally came last week, the first rain in 12 months, the people here began clearing the land for planting. Their efforts were born more of dogged hope than realism: The rain was meager, as all rains have been since 1978, and there were no seeds to plant.

The people of Dindiza have seen crop failures, and they have seen their once-numerous herds of cattle wiped out both by drought and by rebels who have South African support. Nowadays they wait for a monthly delivery of food that is never enough; often they survive on boiled tree roots and weeds.

"Mozambique has natural disasters such as drought, cyclones and floods," a Western aid worker said, "and man-made problems such as economic mismanagement and South Africa's aggression through its support for the rebels. All these things join forces to cause a cruel food crisis."

Relief officials say nearly four million people in this nation of 13 million face starvation or severe food shortages. Mozambique was one of the southern African states worst hit by drought in the first half of the decade. Although the drought has eased in much of the country, it

has persisted in the south, where Dindiza is situated.

In other provinces, the main cause of food shortages is the decade-long war waged by the Mozambique National Resistance against the country's Marxist Government. The war has nearly ruined an already crippled economy. The rebels disrupt agriculture and force villagers to flee their land. Those who are displaced — estimates of their number vary from one million to two million — no longer produce food for themselves or for the market. Instead they depend on aid.

Food donations often must be sent by military convoy because the rebels make the roads unsafe. Last year, when between 16,000 and 20,000 people were starving in Dindiza, relief workers told the town that food could be brought in only by air; the people built an airstrip. So far this year, according to Amos E. Mahanjane, Mozambique's director of relief programs, the rebels have destroyed 19 trucks carrying food. In the process they have sometimes killed local aid workers.

The new president of Mozambique, Joaquim A. Chissano, said last week when he took office to succeed Samora M. Machel, who was killed in a plane crash in South Africa, that ending the war was the country's main task. The response from the rebels was not encouraging; they said they had no plans to stop fighting. Mr. Chissano accused South Africa of violating a 1984 non-aggression pact between the two countries by continuing its support

of the insurgents; South Africa, for its part, says Mozambique has reneged by renewing its backing of the African National Congress.

Many relief workers, meanwhile, blame not only the war and the drought for the continuing food shortages, but also the Government's Marxist economic policies. In 1983 the Government itself acknowledged the shortcomings of those policies, and since then it has moved closer to the West, joining the World Bank and the International Monetary Fund.

The benefits of that shift may be felt in the long run. But for now, according to both Mozambican and Western relief officials, the country needs major help from the international community. The officials say 550,000 tons of food are required to stave off hunger until April. Only 60 percent of that has been pledged.

"Two or three years ago, there started to be a movement to focus on the African famine," said Richard G. Morgan, an emergency program officer for the United Nations Children's Fund. "But late last year and early this year there was an impression that the problems had been solved because the rains in most of Africa were good, and the harvest picked up."

"Famine induced by war in Mozambique and Angola had not gained the awareness in people's minds that drought-related famine in Ethiopia and Sudan had gained. But from the point of view of the victims, famine is famine."



Malnourished children in Dindiza, Mozambique, last week.



# The Nation

## G.M. to Close 11 Plants That Employ 29,000

The General Motors Corporation has been making too many cars with too many workers in too many obsolete factories, according to industry analysts, and it reported a third-quarter operating loss of \$338.5 million.

Last week the giant automaker said that over the next three years it would close 11 plants employing 29,000 people. And the company's president, F. James McDonald, added, "I wouldn't say this is the end of the plant closings" in a \$10-billion modernization program.

Mr. McDonald said G.M. would make "a major effort to cushion the impact" on workers and their communities. But officials in Ohio, Illinois, Missouri and Michigan said the closings would be a blow. Seven of the plants are in Michigan, and economists there predicted that joblessness would return to the double-digit numbers of a few years ago.

While expressing "regret" at the company's decision, leaders of the United Automobile Workers said its contract included a "fairly extensive safety net" of retraining and transfer programs. Because the closings had been expected for several years, the union has emphasized job security in negotiations; the issue is expected to have even more importance in contract talks next year, when many of the plants are to close.

Nevertheless, thousands of workers with little seniority will lose jobs that pay nearly \$13 an hour. "I'm going to end up flipping hamburgers at McDonald's for the rest of my life," said Edmund Siniarski, who has worked at the 66-year-old Fleetwood plant in Detroit for less than two years.

The facilities to be closed include six assembly plants now making 730,000 cars and trucks a year. But the modernization program has added six new plants and refurbished 12 older ones, and company officials said they could take up the slack. Meanwhile, they said, the closings would cut G.M.'s fixed costs by \$500 million a year.

## Nofziger Faces Ethics Inquiry

Lobbying by Lyn Nofziger, President Reagan's former political director, is under scrutiny in a state and Federal investigation of a military contractor's swift growth.

The contractor, the Wedtech Corporation of the Bronx, multiplied its revenues five times, to more than \$100 million, in three years, largely by obtaining military contracts set aside for minority-owned businesses. At the same time, Wedtech was paying large fees to several law firms and consultants with political connections. State and Federal officials are trying to find out whether the payments and the contract awards are related.

One of the consultants was Mr. Nofziger, who asked a White House aide to help the company get a \$31-million Army contract in May 1982. Mr. Nofziger, who was paid in Wedtech stock worth at least \$270,000, had left the White House four months earlier, and Federal ethics law forbids high-ranking officials to lobby their former agencies for a year after leaving the Government.

The Justice Department is considering whether Mr. Nofziger is subject to that law. If it concludes that he is, it would conduct a further inquiry to determine whether a special prosecutor should be named.

Two special prosecutors are conducting inquiries now. In one, the prosecutor has called a grand jury to investigate possible ethics law violations by Michael K. Deaver, who resigned last year as deputy chief of staff at the White House. Among the clients of his consulting firm were Canada, Mexico, Saudi Arabia and South Korea.

The other inquiry involves allegations that a former assistant attor-

ney general, Theodore Olson, gave false Congressional testimony in 1983 about the Administration's withholding of Environmental Protection Agency documents.

## Walker Gets Life And Judge's Scorn

John A. Walker Jr., whose spy ring enabled the Soviet Union to decode more than a million Navy messages, was sentenced to life in prison last week by a Federal judge who urged that he never be freed.

"Your motive was pure greed," said Federal District Judge Alexander Harvey 2d, "and you were paid handsomely for your traitorous acts. I look in vain for some redeeming aspect of your character."

The Government has said that the Soviet Union paid Mr. Walker about \$1 million for information gathered by the ring, which included his brother, his son and his best friend.

Noting that by law Mr. Walker could be released on parole in 10 years, Judge Harvey said, "I shall do everything in my power to see this does not occur." The United States Parole Commission is usually influenced, though not bound, by a judge's recommendation.

Mr. Walker pleaded guilty last year in exchange for a 25-year sentence for his son, Michael L. Walker, who faced a maximum sentence of life in prison. Judge Harvey said he would recommend that Michael Walker, too, not be paroled.

Federal prosecutors said the plea bargain was "in the national interest," even though questions about when the spying started "may never be completely resolved."

The sentencing memorandum said Mr. Walker had apparently contemplated escaping twice, but it did not mention a former associate's allegation that he was involved in the killing of a Navy radioman in 1982. When the allegation was made public earlier in the week, several Federal investigators said they did not believe it.

## High Lead Levels In Drinking Water

The health and economic benefits of reducing the amount of lead in public water supplies would far outweigh the costs, according to a draft report released by the Environmental Protection Agency last week.

Since the 60's, when scientists found that children who ate lead paint could become mentally retarded, the amount of lead the Government considers safe to ingest has grown steadily smaller. Exposure to minute levels of lead in gasoline fumes and drinking water has been linked not only to learning disorders but also to hypertension, pregnancy complications and other ailments.

A year ago the E.P.A. proposed that the Federal standard for lead concentrations in drinking water be lowered from 50 to 20 parts per billion. According to the new report, the tap water used by some 38 million Americans exceeds that level. If their water conformed with the proposed standard, the report argues, their health would improve noticeably, producing, for example, 118,000 fewer cases of hypertension.

Lead gets into drinking water mainly through the corrosion of solder in pipe joints. Although Congress has banned the use of lead solder in new homes, it is ubiquitous in existing ones. The cheapest solution, according to the E.P.A., would be for utilities to make water less corrosive, usually by adding a mineral such as calcium carbonate.

A side benefit of less corrosive water would be less damage to plumbing. The E.P.A. calculates that the net savings, taking the value of health improvements into account, would amount to between \$700 million and \$900 million a year. But implementation of a new lead standard is still years away.

Martha A. Miles and Caroline Rand Herron

## Verbatim: Setting Standards

"I believe we have deeper cultural problems that demand our attention. . . . High on the list, one would find a problem that is sometimes captured with the term 'corporate America's tendency to be like the Government bureaucracy.'"

"Executives may be held to a higher standard of efficient and creative performance than has generally been demonstrated. And if they do not meet that standard, there will presumably be a price to be paid as the forces of populist correction seek what they take to be their due."

Richard G. Darman  
Deputy Secretary of the Treasury,  
on the United States' economic difficulties.

## Some Say Change Would 'Trivialize' the Presidency

### Sparring with Congress

Uses of the pocket veto

Washington	0	Polk	1	Arthur	8	Hoover	16
J. Adams	0	Taylor	0	Cleveland	110	F.D. Roosevelt	263
Jefferson	0	Fillmore	0	B. Harrison	25	Truman	29
Madison	2	Pierce	0	Cleveland	128	Eisenhower	45
Monroe	0	Buchanan	3	McKinley	38	Kennedy	5
J.Q. Adams	0	Lincoln	5	T. Roosevelt	40	Johnson	7
Jackson	7	A. Johnson	8	Taft	9	Nixon	16**
Van Buren	1	Grant	48*	Wilson	11	Ford	17
W.H. Harrison	0	Hayes	1	Harding	1	Carter	16
Tyler	4	Garfield	0	Coolidge	30	Reagan	26

\*Does not include pocket veto of a bill that apparently was never placed before Grant for his signature.  
\*\*Includes pocket veto of a bill, later ruled invalid, during the Congress's 1970 Christmas recess.  
Sources: Congressional Quarterly; Senate Library

## Court Is Asked To Define Power of the Pocket Veto

By ROBERT PEAR

**O**FTEN when the 99th Congress considered a tax increase or a big spending bill, President Reagan warned, "My veto pen is inked up and ready to go." Now that Congress has adjourned, Mr. Reagan does not have to wield his pen. By simply withholding his approval he can keep a bill from becoming law, and last week he used this pocket veto on several measures.

One, passed unanimously in both houses of Congress, would have strengthened the Clean Water Act of 1972; another provided money for the National Transportation Safety Board, and a third would have established a Council on Health Promotion and Disease Prevention.

During his six years in office, Mr. Reagan has disapproved 26 bills by pocket veto, against 16 each for Presidents Nixon and Carter and 17 for President Ford. (Franklin Delano Roosevelt had the most pocket vetoes, 263.) Reagan Administration officials said vetoes would probably be more frequent next year because Democrats regained control of the Senate and slightly increased their majority in the House in the elections last week.

This prospect lent added interest to arguments

before the Supreme Court last week on just when the Constitution permits pocket vetoes. There is no question about the bills vetoed since the 99th Congress ended its two-year term Oct. 18; it does not intend to reconvene and therefore cannot even try to muster the two-thirds majority needed to override a veto.

But there is much debate about whether the President may use a pocket veto between the two sessions of a Congress, or even while Congress is in recess. The question may seem esoteric, but it is not. It involves a fundamental dispute over the powers of Congress and the President in making law.

The Founding Fathers decided, in the words of the Supreme Court, that legislative power must be "exercised in accord with a single, finely wrought and exhaustively considered procedure." After passing both houses of Congress in identical form, a bill is "presented" to the President. He can sign it, making it law; he can veto it by returning it within 10 days. If the President neither returns nor signs the bill within 10 days, the Constitution says, it becomes law — "unless the Congress by their adjournment prevent its return, in which case it shall not be a law."

The Justice Department argues that "the term 'pocket veto' is a misnomer" because it implies that a President is intentionally keeping Congress from reconsidering a bill. In fact, the de-

partment contends, a President's decision to use a pocket veto is "attributable solely to the action of Congress," which chooses to adjourn before the end of the 10 days the President has to consider the measure.

The Senate and the House of Representatives routinely authorize their clerks to receive messages from the President between sessions. Thus, they say, the President can and should return bills that he wants to disapprove, giving lawmakers a chance to decide whether to override his veto when they reconvene. In 1976, after litigation over pocket vetoes, President Ford agreed to send bills back to Congress during "intra-session and inter-session recesses and adjournments," provided Congress had named officers to receive them.

### 'Suspended Animation'

But the Reagan Justice Department says that the President's review of legislation is a "momentous duty," and that it would "trivialize" his role if he had to send bills back to a mere clerk while Congress was away. Moreover, it contends, under such an arrangement, bills would float in "a state of suspended animation" until Congress reconvened.

Michael Davidson, the Senate Legal Counsel, said that intervals between sessions of a Congress are now generally much briefer and less disruptive than in the nation's first 150 years. Bills and other legislative business carry over between sessions, and Congress often needs two years to complete work on major legislation. By contrast, from 1789 to 1818, bills were treated as having died at the end of each session.

If the Supreme Court decides that the President must return bills to a clerk between sessions, it would enhance the power of Congress at his expense. Conversely, if the Court affirms its 1929 ruling that the President may use a pocket veto between sessions, it clarifies the President's power to block legislation.

Court cases involving the pocket veto typically raise a rather basic question: whether a specific bill passed by both houses of Congress has become law.

The case now before the Supreme Court involves a 1983 bill that would have forced the President to certify El Salvador's progress in protecting human rights before he could send it additional military aid. Between sessions of the 98th Congress, Mr. Reagan withheld his approval from the bill, contending that it interfered with his authority to conduct foreign policy.

Thirty-three House Democrats filed suit, arguing that the bill had become law and that the pocket veto was invalid. By refusing to publish it as a law, they said, the Administration had in effect "nullified" their votes. The Justice Department says the legislators suffered no "palpable injury" and have no legal right to have their claims decided by a court.

## Not Even a Vision of a Clean City

## Corruption Is Brotherly in Philadelphia



City Councilman Leland M. Beloff (center); his wife, Diane, and his assistant, Robert Rego, after indictment.

By LINDSEY GRUSON

**B**OLD pictures of beefy men on the courthouse steps, shielding their faces behind their coat sleeves, are appearing on the front pages of local newspapers so frequently that they have become something of a joke to a blasé public. "Tacky, tacky, tacky," wrote one columnist. It is, as the cartoonist Tony Auth recently pointed out, the 20th-century equivalent of the medieval stocks, putting public officials on public display.

One after another, Federal and local grand juries have painted a picture of Philadelphia as a modern "Sin City" in which payoffs are the price of progress and justice is bought and sold. When a developer recently refused to pay a kickback and reported the demand to the Federal Bureau of Investigation, his decision was found much more surprising than the extortion attempt.

"It's been a way of doing business here for a long time," said Wayne G. Davis, special agent in charge of the F.B.I.'s Philadelphia office. Historically, Philadelphians have accepted graft as an onerous but tolerable part of life. There have been five special grand jury investigations in this century; all exposed pervasive corruption, none managed to stamp it out. In-

stead, they drove it underground, to emerge once the fad for integrity had passed.

Gerald M. Caplan, a law professor at George Washington University and staff director of a task force conducting a study of the Police Department, said Philadelphians believe "investigators come and go, but corruption abideth."

The Pennsylvania Crime Commission, which led the last drive against corruption in 1974, predicted then that unless the public ceased to accept graft, it would again be pervasive within 10 years. The prediction is being borne out.

In the latest round of indictments, City Councilman Leland M. Beloff and his top aide were charged with a series of extortion schemes. The Federal grand jury found that the defendants used a City Council protocol, which gave them a de facto veto over projects in Mr. Beloff's district, to extort money from developers. They have pleaded not guilty. On the same day, Mr. Beloff, his wife, a Democratic committeeman and an elections judge were charged with vote fraud.

Another grand jury accused two Philadelphia union locals of extorting kickbacks and acting as a collection agent for organized crime. The unions, prosecutors said, put thousands of dollars into a "slush fund" that financed gifts to about 50 public officials, including 17 judges, two of whom were indicted. The locals have acknowledged giv-

ing the money, but they said they had done nothing wrong: It was, they said, routine, part of a time-honored and harmless Christmas tradition.

A third grand jury, in Trenton, indicted 16 Philadelphians last week in a racketeering case against the leaders of the largest organized crime syndicate in the area. The indictment said that under the direction of Nicodemus Scarfo, the defendants engaged in loan sharking, extortion and illegal gambling, primarily in Philadelphia and Atlantic City.

### New Tactic on Bribery

Other Federal and local panels have found that the Police Department is riddled with graft and indicted dozens of officers. In one case, 31 officers, including the former Deputy Commissioner of the department, were convicted of operating a protection racket.

Recently, the city has switched tactics in its drive against corruption, indicting people on charges of paying bribes rather than focusing on people who took them. In the past, those who offered or paid bribes were usually granted immunity so they would cooperate with the prosecution.

The change, Police Commissioner Kevin M. Tucker and District Attorney Ronald A. Castille said, is an attempt to send Philadelphians a message that "bribery will no longer be tolerated." But there is little evidence that corruption has abated or that the citizenry has heard the message.

Despite the indictments, investigators say they continue to find new evidence of corruption. And residents seem to have little hope that the latest investigations will uproot the tradition of graft.

The Police Study Task Force survey, scheduled to be released in January, found that Philadelphians see corruption as so much a part of the urban landscape that they do not believe there are cities where corruption is not widespread. "They don't even have a vision of a clean city," Mr. Caplan said.

Unlike many urban residents who view the police as an army of occupation, the study found, most Philadelphians, living in ethnically unified "villages," see the police as the guardians of their neighborhoods. Historically, Philadelphians' attitude toward the police, Mr. Caplan said, is "Do me a favor" rather than "What are the rules?" Given that, he said, few people mind a "free lunch" for officers or, by extension, for officials.

This indifference, according to Mr. Caplan and other authorities, may well doom the clean-up drive. In other cities where corruption was once the norm, Mr. Caplan noted, reform efforts have succeeded only when backed by public outrage.

"Turning around a department that has endemic corruption historically has been done very few times, and never without widespread support," he said.



# Pushing Fashion in the Fast Lane

Overnight hits such as Vanderbilt jeans and Coca-Cola shirts are Murjani's stock in trade. Critics call it faddism.

By LISA BELKIN

**F**ASHION just doesn't move fast enough for Mohan Murjani. "Why should it take years for a designer to become a sensation?" he asks. "Why should a line grow slowly, when it can be big from the start?"

Mr. Murjani simply refuses to play that waiting game. It was Murjani International, his company, that made Gloria Vanderbilt jeans an overnight sensation that has become a \$400 million-a-year retail business. It is Murjani that has catapulted Tommy Hilfiger, the young designer, from obscurity to virtual notoriety.

And now there is Coca-Cola clothing. "Most of the people in the industry thought it was an absolutely lunatic idea, selling clothes with a soda logo," said George Lois, president of Lois Pitts Gershon Pons, Murjani's advertising firm. "But Mohan understood the idea in a second. He knew it was just a matter of promoting it right." Already, Murjani says its expected sales of \$250 million in Coca-Cola clothes by the end of this year.

Murjani, which is family-owned, declines to release its sales or earnings. But manufacturers' revenues are generally about half of retail sales, and for some products Murjani's figures are lower still, because it merely receives royalties from licensees for much of the Vanderbilt line.

But Mr. Murjani contends that the lines have fared well, primarily because he has not run the company like an apparel business. The company far outstrips the industry average in the emphasis and money it devotes to market research and advertising. "Research is very important to us," he said last week, in his office in the garment center. (Most of his time is spent in the company's office in London, where he lives with his wife and three teen-age children.) "In the packaged goods industry," he said, "they have learned the value of market research but in apparel it is rarely done."

Similarly, he notes that few manufacturers advertise, preferring to leave that to retailers. Mr. Murjani, in contrast, advertises with gusto, often using themes that unabashedly piggyback on competitors' fame and successes. "We're kind of made for each other, Murjani and me," Mr. Lois said. "He likes to go for the jugular and so do I."

Not surprisingly, Murjani has its share of critics. Kurt Barnard, publisher of the Retail Marketing Report, an industry newsletter, calls its products "fads" and "public relations phenomena," and warns that "as with all fads, they are doomed the moment they succeed." Still, he conceded, "until they do, there is a lot of money to be made."

Retail manufacturers, meanwhile, claim that the originality of Murjani's advertising belies the copycat nature of his product line. "We were very, very honored that Coca-Cola would take our rugby shirt, our best-selling item, and put Coca-Cola on the front where ours says Benetton," Sally Fischer, a Benetton spokesman, said with more than a trace of sarcasm.

**I**f not for a last-minute change of mind, the world might never have been introduced to Coca-Cola shirts and Vanderbilt jeans. Born in 1946, in a part of India that is now Pakistan, Mr. Murjani was raised in Hong Kong, where his father ran a successful apparel factory. He was educated in England and said he was accepted by Stanford University where, he said, he planned a pre-med biology major.



Fizzazz, the Coca-Cola store on Manhattan's Columbus Avenue.

"I had no intention of ever going into the business," he said. "I was going to take the share of the business that I felt was my due and I was going to go off to Africa and help people."

Days before school began, however, he decided "out of nowhere" to major in business and called the dean of Babson College, a business school near Boston. "I don't know why I didn't just go to Stanford and study business," he said. "But I got it in my head that I should go to Babson and, when I get something in my head, it sticks."

One of his classmates at Babson was Roger Enrico, now president of Pepsi-Cola USA, which last month introduced a line of Pepsi clothes to com-



Mohan Murjani

pete with Murjani's Coca-Cola line. The two remain friends, and Mr. Murjani was Mr. Enrico's guest at the debut fashion show of Pepsi clothes at the Hayden Planetarium.

When Mr. Murjani graduated in 1967 his father held a party in Hong Kong and announced — to the younger Mr. Murjani's surprise — that he was, as of that moment, handing the reins of the company to his son.

The elder Mr. Murjani, now 72 years old, is still a close adviser to his oldest son. His second son, Ramesh, 36, runs the London office and his youngest son, Dalip, runs the factory in Hong Kong. His only daughter, Bina Djalidas, lives in Hong Kong with her husband and children.

Initially, Murjani produced only private label clothing for stores such as K Mart and lines like Levi and Wrangler. The company still produces private label clothes for Federated Department Stores and The Limited, but now "it is a small part of the business," Mr. Murjani said.

As the new chairman and president, Mr. Murjani set out to upgrade the quality of the private label merchandise and to expand the types of products the company made. Soon Murjani was making everything from bicycles to spinning machines for textile mills — an overexpansion that took its toll in slashed profits.

In the mid-1970's, Mr. Murjani spent several months in the United States, seeking a garment that would turn Murjani's fortunes around. Jeans, he decided, were "the single most important garment in the Western Hemisphere. But all the jeans makers had been producing jeans for women that were cut the same as jeans for men." Even before Calvin Klein and others introduced their now-famous jeans, he directed his designers to develop a denim jean cut for a woman's figure.

Gloria Vanderbilt did not design the resulting form-fitting jeans, but her name went on their pocket. When the line was offered in 1978, stores pre-ordered only 6,000 pairs. An optimistic Mr. Murjani nonetheless produced 100,000 pairs and introduced a \$1 million advertising campaign on a Tuesday night. On Wednesday, Bloomingdale's New York store sold out.

The experience made Mr. Murjani a firm believer in the power of Madison Avenue. He returned to that shrine in 1984, with Tommy Hilfiger, a 35-year-old freelance designer with no track record but "a certain something" that Mr. Murjani liked. In the past 18 months, Murjani has spent \$20 million to promote the designer, \$3 million for advertising and the rest to establish Hilfiger stores.

Indeed, much of the money went into a provocative advertising campaign earlier this year. Throughout New York, billboards, buses and telephone booths blossomed with a fill-in-the-blanks puzzle: "The 4 great American designers for men are: R—L—, P—E—, C—K— and T—H—." Some members of the fashion world were infuriated by the presumption of an unknown identifying himself with Ralph Lauren, Perry Ellis and Calvin Klein. Even Mr. Hilfiger called himself "a marketing vehicle."

The first Hilfiger store opened in August 1985, on Columbus Avenue near 73d Street. Mr. Murjani says that in the first 12 months it did \$1 million in sales, or more than \$2,000 a square foot, a number Mr. Barnard calls "extremely high." He and other analysts say the industry average for specialty stores is about \$500 a square foot.

There are now 5 Hilfiger stores and 85 department stores that carry the label. Joel J. Horowitz, president of Murjani, said the company expects to have more than 1,000 Tommy Hilfiger stores worldwide within five years. "Tommy was going to be successful," he said. "It might have taken ten years. This way it took two."

**I**t didn't even take two years to make a success of Coca-Cola clothes. When Coke representatives approached Murjani in October 1983, they were interested in only a modest line of apparel. But "the idea grew as we talked about it," said Richard Hosp, vice president of marketing for Murjani. "Mohan said to me, 'This is a very big idea. It is a very big good idea or a very big bad idea. Go find out which.'"

To explore consumer interest, the company intercepted people in shopping malls and asked their opinion of mock-ups of possible Coca-Cola clothes. Reaction was positive and, with 280 million people around the world drinking Coca-Cola every day, name recognition was no problem.

The next task was to find the proper image for the stores. Someone suggested a nostalgic ice-cream parlor motif, "you know, the formica counter, soda-jerks in white caps, the works," Mr. Hosp said. "We were all excited about it." But when the idea was tested in consumer focus groups, it fell as flat as a warm glass of Coke. Consumers placed Coca-Cola in the context of the future, not the past. Murjani promptly shelved the ice-cream parlor idea (a facade remains in the Murjani offices, "a reminder of a mistake we almost made," said Mr. Hosp) and opened 1,400 chrome and white-tile boutiques in department stores nationwide.

The first free-standing store was opened a year ago this weekend, next door to Tommy Hilfiger on Columbus Avenue. There are now five such stores nationwide — one opened in San Francisco yesterday, another is scheduled to open in Stamford, Conn., within weeks — and Mr. Murjani said he intends to open 650 such stores by 1992.

But the New York store is the flagship, where new ideas will be tested. It is a cross between a cafeteria and a video arcade. Passers-by can see the clothes through a wall of windows on a 25-foot video screen 24 hours a day, and at an electronic video machine outside (see box).

Inside, floor-to-ceiling bins fill three sides of the store, holding 125 styles of Coca-Cola clothes. There are video touch terminals on the upper entrance level. By touching the proper square on the screen customers can see an item in any color, get a close-up of a collar or pocket and a rundown of prices, sizes, fabric and other vital statistics.

The next stop is the cafeteria-like selling floor, where a stainless-steel unit dispenses trays with the Coca-Cola logo. Shoppers slide the tray around the counter, place an order, collect it on the tray and walk through the line.

The store has attracted nationwide attention, as has the Hilfiger campaign. In fact, Mr. Murjani says that young designers approach the company, asking to be its next project. "From one little crazy spark a business might be created," Mr. Murjani said.

# The Economy

WEEK IN BUSINESS

## A Painful Round Of Cuts for G.M.

**G.M.** is shutting 11 plants in the United States and laying off many of the 29,000 workers at those plants. The move was not unexpected, though the magnitude surprised some analysts, and the company hopes the shutdowns will help it to regain a competitive edge in the auto market. The 11 plants account for 10 percent of G.M.'s production vehicles in North America, but the chairman of G.M., Roger B. Smith, said the remaining plants will become more efficient as its \$10 billion modernization plan proceeds. Analysts said the moves should result in a stronger G.M., but warn that G.M. still must make cars that are attractive to consumers, rather than rely on incentive plans to attract buyers.

The auto industry in the United States has been battered in recent years by the wave of imports. At first, American auto makers began producing cars overseas, where costs are lower, but their attentions are now turning back home. But while G.M.'s cutbacks may help the industry, they are a setback for the United Automobile Workers, which has been fighting for job security, and for parts of the country that are still heavily dependent on autos.

**Allied** capitulated to Campeau and agreed to be acquired for \$3.6 billion. That ended months of battling during which Allied try to sell itself to Paul A. Bilzerian and Edward J. DeBartolo. Campeau, a big Canada retailer determined to add Allied's Brooks Brothers, Ann Taylor and other retail chains to its stable, bought on the open market until it had more than 50 percent of the stock, forcing Allied to negotiate. The winning bid was for \$69 a share; Campeau's first bid had been for \$58 a share.

**Hoechst** will buy Celanese for \$2.84 billion, creating the world's largest chemical company. Celanese makes polyester and other artificial fibers, while Hoechst has a broader base in chemicals.

**BankAmerica** asked First Interstate to withdraw its \$3.4 billion bid, angering institutional shareholders who said BankAmerica was turning its back on a fair deal. BankAmerica said it needed time for its new management to assess its options. For example, Charles R. Schwab wants to buy back his discount brokerage, and Citicorp is believed to be interested in all or part of BankAmerica. But many big investors said they would sell their BankAmerica holdings rather than wait for a deal.

**Unemployment** held steady in October at 6.9 percent overall, although many of the people who found work had to settle for part-time jobs. ... Consumers took on \$8.37 billion more debt in September than they paid off. ... Spending on new construction rose 1.4 percent in September, but most analysts expect it to begin dropping.

**CPC** fought off Ronald O. Perleman, who suddenly sold his stock back to the food producer after it announced a restructuring and a stock buyback — which would be paid for through a sale of assets.



Roger B. Smith

**Bond prices** dropped steeply as investors turned their backs on a huge Treasury refinancing. Stocks followed the downward trend late in the week, reducing earlier gains. The Dow Jones industrial average ended the week at 1,886.53, up 8.72.

**Sir James Goldsmith** made his move on Goodyear, offering \$49 a share, or \$4.6 billion, for the company. But Goodyear said it was not ready to be acquired, and Sir James agreed to wait two weeks before moving. Even before Sir James made his private offer, Goodyear had put its Celeron energy unit on the block. And it later said it would buy back up to 18 percent of its stock and sell aerospace and motor wheel units, resulting in the loss of some jobs.

**Union Carbide** will recapitalize to cut its debt, capping a year of re-investment for the big chemical company. The moves will result in a big earnings charge that could mean a loss for the year.

**Time Inc.** dropped Picture Week after 15 months of test marketing that cost it \$30 million. Time said the weekly would be too costly, and said it would concentrate instead on new, special-interest publications.

**Canada** imposed a tariff of \$1.05 a bushel on United States feed corn in retaliation for what the Canadians say are unfair farm subsidies.

**Fiat** won Alfa Romeo with an offer to invest \$5.7 billion. Ford had bid an undisclosed amount that was believed to be about half of Fiat's.

**GTE** plans to buy back up to 4.7 percent of its stock to avoid becoming a takeover target. It said "one or more purchasers" had been making "unusual share accumulations."

**Miscellaneous.** A Federal court overturned an S.E.C. rule that requires banks to register as securities brokers. ... Ira B. Sokolow was sentenced to one year and a day for his role in the Dennis B. Levine insider scheme. ... The Chicago Merc and the Big Board are studying a trading link.

## USHERING IN RETAIL'S ELECTRONIC AGE



Eric at work.

Mohan Murjani has strong feelings about how Coca-Cola stores should look: "Not something that would feel like the future, but would be the future."

To him, and many other manufacturers and retailers, that means a store that uses video machines to demonstrate products and take orders for them. Murjani's version is Eric, the acronym for the machine and for the Electronic Retail Investment Corporation, the Murjani subsidiary that makes it.

Eric, just outside the New York Coca-Cola store, looks like an automated teller machine. Passers-by can touch the screen to see close-ups of the clothes, insert their credit cards and place their orders.

Eric is hardly perfect. On a recent Saturday morning, customers complained that the pictures of the items were too small, that they come and go too fast, that the images are hard to see in the sunlight, that the quoted prices are sometimes wrong and that not everything sold in the store is available from the machine. Though more than a dozen people stopped at the machine over a two-hour period, no one made a purchase.

But Mr. Murjani is unfazed. The price of the Coca-Cola clothes ranges from \$30 to \$50, and Mr. Murjani says Eric, which costs between \$8,000 and \$10,000, can break even on two sales a day. However, Thomas R. Raub, national director of retail consulting for Touche Ross & Co., projects the breakeven point at about \$500 a day.

Mr. Murjani plans to have 1,500 Eric's operating by the end of 1997. Most will be far from department stores — for example, in old-age homes, where residents are expected to buy Coca-Cola clothes for their grandchildren.

Mr. Raub says that more than 200 companies are using or selling similar machines. He estimates that there will be 30,000 video sales machines in the United States by the end of this year, twice as many as in 1985. Moreover, he predicts that by 1990 there will be 70,000 picture-only machines and 30,000 order-taking machines, generating as much as \$3 billion in sales.

Already, Clairol is having good success with a videotape machine, made by Intermark Corporation, that lets customers see how a certain rouge or lipstick would look when applied. And Amtech Inc., a New York company, is running Express Shop USA kiosks at a half-dozen airports. Machines in the kiosks give 20-second glimpses of 92 products; customers can place orders with a credit card for everything from Gaudy teddy bears to \$1,500 Cartier watches.

There are some bugs in the system — few people were willing to buy a \$1,500 watch from a machine, for instance. But Keith Greenberg, Amtech president, says each machine is processing 10 to 12 sales a day.

Within months Amtech, operating jointly with Liberty Travel, hopes to have a network of travel kiosks that will show videos of vacation sites, make reservations, and print tickets and itineraries. "There've been many revolutions in this country — the American revolution, the industrial revolution," Mr. Greenberg said. "We stand for the credit card revolution."

This revolution already has losers, though. The CompuSave Corporation of Irvine, Calif., tried to sell pots, pans, even televisions from terminals in supermarkets in four states, primarily in rural areas with few discount stores. The machines, which offered 3,000 items at discount, never caught on, Mr. Raub said, and the company filed for bankruptcy.

Mr. Murjani remains undeterred by such bleak stories. He was recently impressed with an experimental machine in the Paris subway that drops Levi jeans from a chute in his stores. "Soon everyone will be shopping by machines," he said. "When that happens, we want to be ready."

The New York Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED NOVEMBER 7, 1986				
Company	Sales	Last	Net Chng	
Goodyear	16,963,400	48	- 5/8	
CPC	15,989,900	81	- 2 1/2	
USX	12,734,000	23 1/2	- 1 3/4	
Phila El	11,274,800	23	- 1/4	
Am Mot	10,908,900	3 1/2	+ 1/2	
U Carb	9,902,000	23 1/2	+ 1 1/2	
AT&T	9,640,700	25 1/2	+ 3/4	
G Mot	8,853,800	72 1/2	+ 2 1/2	
IBM	8,684,600	121 1/2	- 1	
Gillet	8,619,400	54 1/2	+ 9 1/2	
GTE	8,032,400	63 1/2	+ 2 1/2	
E Kodk	7,916,600	62 1/2	+ 1 1/2	
Arch D	7,597,400	21 1/2	+ 1 1/4	
Hansn	6,805,800	15 1/2	-	
Hutt EF	6,528,900	48 1/2	- 2 1/2	
Standard & Poor's				
400 Indust	274.8	270.8	273.3	+2.40
20 Transp	209.2	204.9	208.2	+2.90
40 Util	114.7	113.7	114.3	+0.35
40 Financial	27.7	27.2	27.4	-0.15
500 Stocks	247.0	243.9	245.7	+1.79
Dow Jones				
30 Indust	1911.1	1888.9	1886.5	+8.72
20 Transp	857.5	830.7	845.0	+8.62
15 Util	211.7	208.0	208.8	+0.40
65 Comb	755.8	738.9	746.5	+4.58
The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED NOV. 7, 1986				
Company	Sales	Last	Net Chng	
BAT	5,247,500	13-16	+ 5-16	
Wickes	2,415,100	4 1/2	- 1/4	
Tex Air	2,058,700	37 1/2	- 1/2	
Mediq	1,894,300	7 1/2	+ 1/2	
Lor Tel	1,679,100	21 1/2	+ 2 1/2	
Hasbro	1,248,500	23 1/2	+ 1	
Echo B	1,138,500	21 1/2	+ 3/4	
HmeGp	872,100	19 1/2	- 1/4	
Armahl	822,900	21 1/2	- 1/4	
Axon	818,900	56	+ 1 1/2	
MARKET DIARY				
	Last	Prev	Week	Year
Advances	1,210	1,394		
Declines	752	589		
Total Issues	2,214	2,212		
New Highs	236	220		
New Lows	43	71		
VOLUME				
(A.P.M. New York Close)	Last	Week	Year	To Date
Total Sales	792,213,746	30,270,474,830		
Same Per. 1985	587,564,520	22,079,994,591		
WEEK'S MARKET AVERAGES				
	High	Low	Last	Change
New York Stock Exchange				
Indust	163.3	161.5	162.7	-1.82
Transp	124.4	122.1	123.4	+0.98
Util	76.2	75.4	75.9	+0.43
Finance	146.0	144.6	144.8	-0.73
Composite	142.0	140.6	141.5	+1.08
VOLUME				
(A.P.M. New York Close)	Last	Week	Year	To Date
Total Sales	53,165,730	2,562,002,824		
Same Per. 1985	45,257,775	1,717,332,370		



# The New York Times

Founded in 1851

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## Arms for Iran. What? For Whom?

What is America's policy toward terror, Iran and Syria? At the moment, the landscape is littered with contradictions.

On the one hand: The sale of American arms to Iran is strictly forbidden. Indeed, next February, an Israeli general and a dozen others face trial in New York on charges of trying to sell \$2 billion in American arms to Iran. On the other hand: For more than a year, the White House is said to have been conniving with Israel to send just such forbidden arms to the regime of Ayatollah Khomeini.

On the one hand: President Reagan says we must never surrender to terrorist blackmail. Secretaries Shultz and Weinberger concur: Don't try to buy immunity from regimes that condone terrorism; civilized states must stick together. On the other hand: The White House evidently approved the substantial arms shipments to Iran at least in part to free three American hostages in Lebanon.

On the one hand: The United States proclaims neutrality in Iran's six-year war with Iraq and advocates a peace without victors. On the other hand: The indirect aid to Iran has been made without any evident concessions on the war or terrorism.

On the one hand: When the European Community's foreign ministers meet Monday, the United States wants them to rally behind Britain by imposing sanctions against Syria for its role in the attempted bombing of an El Al airliner. On the

other hand: What would the United States say if the ministers asked, Hey, big boy, how about telling us more about those "sanctions" you're imposing on terrorist Iran?

In Yogi Berra's memorable words, it's déjà vu all over again. The White House is struck mute by events in Iran. President Reagan can't or won't make sense of secret negotiations, and a rescue mission by his former national security adviser appears to have crashed.

The President's goals are admirable. He is understandably eager to free hostages. Meanwhile, Iran is in the midst of a power struggle and it's surely right for the United States to take prudent soundings and make contact with Iranians prepared to end their country's isolation. No one expects purity in terror policy. Irregular channels need to be explored, unpalatable choices to be faced.

But the concern now is not purity; it is simple coherence. By all appearances, the White House has fumbled this operation, serving up arms in a way that may only encourage further hostage-taking. Is it only the appearances that are incoherent? Is there in fact a guiding intelligence behind all the seeming contradictions? The State Department has no answer. Ask the White House, says a wounded Secretary Shultz. Bewildered citizens and allies alike await the President's word.

## What the Democrats Won

"We can say it all in four words: The Democrats are back." That was Democratic Chairman Paul Kirk's summary of the election that restored his party's control of the Senate, as well as the House. His four words didn't quite say it all. The election reflected voter dissatisfaction with Reagan economic policies, but the Democrats were passive beneficiaries. They offered no compelling vision of their own and nowhere is the void more embarrassing to the party — and dangerous to the country — than on trade.

The Democrats will have to work hard, quickly, to develop an alternative to the Administration's free-market dogma and their own reflex to appease special interests. They no longer have a Republican Senate to hide behind.

Efficient and inefficient industries alike suffered as the overvalued dollar made American products uncompetitive in world markets. The dollar's recent decline offers many businesses an opportunity to regain lost ground. But others are very unlikely to make it.

Our clothing and shoe industries, for example, are victims of national prosperity, unable to compete because the value of American labor is so high. Big Steel has been smashed by a combination of falling demand and new technology that favors mills built in the last few decades. Farmers have been irreversibly damaged as the third world becomes self-sufficient in food.

The Administration has been cool to demands for protection, relenting only when Congress appeared likely to override the White House and trying to placate offended industries by railing against foreign protectionists.

Stonewalling the protectionists makes sense in narrow economic terms. To shield some industries against foreign competition is to drag down national productivity and to provoke retaliation against American exporters. Protection blocks poor countries from climbing up the industrial ladder through the export of labor-intensive goods. And, as the Administration points out, the number of jobs lost to imports in recent years is tiny compared with the number created by growth at home.

But the stonewall policy, while it would protect

economic health if carried out fully, has been compromised for reasons of political health. The Administration has been forced to make protectionist concessions costing American consumers tens of billions. In agriculture, for instance, it resorts to spending tax dollars to subsidize exports, driving down prices and victimizing friends like Australia and Thailand.

All these arguments are sound — generally. But sound arguments are not much consolation to people who are specifically losers because of changing trade patterns, like the unemployed unlikely to find equivalent jobs, and communities with collapsing tax bases. Their grievances are genuine. What's more, their specific anger packs much more political punch than the generalized satisfaction that all consumers derive from cheaper clothes or cars.

The political test, then, is to find a challenging middle course. The outlines of such a course seem clear: Defend open trade as good for the majority, while also accepting Federal responsibility for softening the blow to the losers.

At home, this would mean extended unemployment benefits, moving allowances, an effective national employment service and the first serious commitment to job retraining. Abroad, it should focus on settling the third-world debt crisis that has cut the foreign demand for American exports by tens of billions a year.

Such ideas won't be greeted enthusiastically. Unions, which can't benefit as institutions, dismissed trade-displacement assistance in the 1970's as "burial insurance." They blocked efforts to refine delivery of benefits and later stood by as Reagan budget-cutters dismantled the system. And it will be hard to sell the abstract virtues of debt settlements to a confused and skeptical public — the single most effective action to create jobs and profits for export-oriented firms.

But let the Democrats consider the alternative — building walls around declining industries and throwing more taxpayer money at farmers hurt by foreign competition. That would reaffirm the party's recent image as hardly more than an interest-group coalition lacking any vision of the national interest. The Democrats have good cause to toast their victories. They also have good cause for sobriety about the trade task ahead.

## The Editorial Notebook

### The Year of the Italians

#### They Succeeded In the New Politics As They Did in the Old

Italian-American cuisine is out; Sicilian, Piemontese and Roman cucina are in. Giorgio Armani is to the male sports jacket what Poole of Savile Row was to the waistcoat. Luciano Pavarotti tops the charts. And in government, Americans of Italian descent made up in 1986 for what political scientists once called their "late arrival at the forefront of the New York political scene."

As voters last Tuesday zigzagged their way down the ballots, huge numbers gravitated to names that looked Italian. Never mind that Italian names may now cover family trees grafted with limbs from a half-dozen other places. Never mind that some of those names lost.

Gov. Mario Cuomo won re-election with an unprecedented margin. Then voters crossed to the Republican line to re-elect Alfonse D'Amato to the U.S. Senate. Italian names figured prominently in several of the most interesting legislative races. In the Westchester contest that drew the greatest number of voters, 145,000 cast ballots to re-elect Congressman Joseph D. G. Murphy. He defeated the much-better-known Bella Abzug by 10 percent. In the one race for a va-

cant State Senate seat, in Westchester, Nicholas Spano, a Republican, prevailed over Democrat Andrew MacDonald.

In local state Assembly races, Thomas DiNapoli, a Democrat, won the only vacant seat in Nassau County, while Anthony Genovesi, a Democrat, carried the one empty seat in Brooklyn. Italian names lagged in Queens, winning neither vacant seat. But in judicial elections on Long Island, two of four winners are Andrew Di Paola and John Di Noto.

Judge Di Noto is a Republican newcomer. Though Judge Di Paola is an incumbent, he did not even have the Republican endorsement, considered essential to victory in Nassau-Suffolk. Justice Leon Lazer, not only an incumbent but a member of the prestigious Appellate Division bench, lacked the Republican endorsement and an Italian name. He lost.

Forty years ago, Italian names began to appear on city ballots under the firm hands of effective county leaders who sought ethnic balance. The presence of familiar names probably increased the growing voting habit of Italian-American citizens. That, in turn, surely encouraged more Italian-Americans to seek office.

New Italian names that appear today win their way through primary elections or because they were deemed to be effective vote-getters by their party organizations. Ticket balancing to please a large bloc of Italian-American voters is past history.

But the tradition of political success remains brighter than ever. New York's Italian communities are said to be characteristically nonideological; a majority clusters around the middle of the political spectrum, following economic interest and demonstrating a healthy skepticism toward people who tell them that their vote should be cast on a matter of remote or abstract principle.

For better or worse, that pragmatic approach seems ever effective. ROGER STARR

## Letters

### The Myth of Warsaw Pact Superiority Debunked

To the Editor:

After the meeting in Reykjavik, Iceland, President Reagan was taken to task for proposing to remove all intermediate-range nuclear forces from Europe and to abolish all intercontinental ballistic missiles within 10 years. Critics complain that such radical reductions would be dangerous, in large part because they would expose the North Atlantic Treaty Organization allies to overwhelmingly superior Warsaw Pact conventional forces. Reporters, columnists and other commentators usually assert this superiority as a given, without further explanation or elaboration.

But this oft-repeated assertion is a myth. Moreover, there is no excuse for perpetuating this particular myth, because there is a carefully researched body of literature debunking it.

To mention a few readily available sources: On Aug. 30, The Economist published a survey of the NATO-Warsaw Pact balance, noting that in some indexes of military strength, tanks and air defenses, for example, the Warsaw Pact is ahead; but for others, such as ground forces and combat aircraft, NATO is superior.

For several years the International Institute for Strategic Studies has concluded in its annual "Military Balance" that the East-West balance in

Europe is such that neither side could seriously contemplate attacking the other. Similar analyses have been produced at the Rand Corporation, the Brookings Institution, the Congressional Budget Office and the Department of Defense in its annual reports to Congress.

These analyses, which deal primarily with the quantitative balance,

training and the political reliability of alliance partners, NATO begins to look superior to the Warsaw Pact.

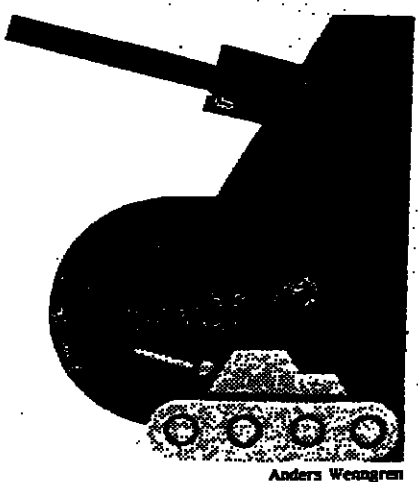
For sophisticated analyses that probe both quantitative and qualitative factors in depth, journalists can consult works by defense analysts like Barry Posen, Fen Hampson and John Mearsheimer in the pages of International Security (summer 1982, winter 1983-84 and winter 1984-85), all of whom conclude that NATO's conventional forces provide a robust and credible deterrent force.

We can argue over whether or not the Reagan Administration is serious about arms control in the face of its unwillingness to compromise on the Strategic Defense Initiative — popularly known as "Star Wars." We can debate the merits of an agreement that makes deep cuts or merely freezes nuclear force levels. We can also explore more cost-effective ways of sharing the NATO burden of defending the central front in Europe.

But let us not waste any more time — or print — in perpetuating the myth about an overwhelming Warsaw Pact superiority in conventional forces.

JANE M. O. SHARP

Wellesley, Mass., Oct. 30, 1986  
The writer, a British political scientist, is associated with the Center for European Studies at Harvard University.



Anders Weingren  
all point to a rough parity between NATO and Warsaw Pact conventional forces. When we consider factors such as the quality of military

### Can the German Calm Last Much Longer?

To the Editor:

At the end of his book "The Europeans," the journalist Luigi Barzini observed that Germany is particularly dangerous when unhappy. Your Oct. 25 editorial on German-American relations, suggesting the converse, adopts a genial tone in wishing continuation of "calm and stable" relations, a tone reminiscent of Faust entreating the moment to linger — "Verweile doch, du bist so schön" ("Linger yet, you are so beautiful").

But will it last? Upon my recent return to the United States after a year-long stay in Bonn, I was struck by the great gulf between German and American popular opinion. While official relations appear harmonious, the basic outlooks of the two populations often clash. This holds true for such issues as confronting terrorism, managing the East-West conflict, negotiating with the Russians and harnessing nuclear power for civilian and military purposes.

When we look beyond the present moment — minding Luigi Barzini, who admonished us to be sensitive to German public opinion — the signs are unsettling. FLETCHER M. BURTON  
Princeton, N.J., Oct. 27, 1986

### Your Right Not to Get an Education Is Safe

To the Editor:

The ruling by Federal District Judge Thomas Hull that fundamentalist parents in Greeneville, Tenn., are free to remove their children from any classes that offend them (front page, Oct. 25) manages to violate both the principles of education and the principles of logic.

Education is the process of being exposed to things that you don't know, whether or not you may agree with them, in order to understand the rest of the world around you. What Judge Hull has given these fundamentalists, and it remains to be seen how many others, is carte blanche to skip classes when something new or potentially objectionable is to be discussed.

The substitute for this class is some vague agreement that parents will spend time at home with their children on these things. But, by definition, no education can occur, because the plaintiffs are rejecting exposure to things they don't already know or accept.

The breach of logic occurred when Judge Hull bought the plaintiff's argument that "secular humanism" is somehow behind the failure of American schools to focus on fundamental-

ist Christian beliefs and their attendant corollaries that reject modern science, cultural pluralism and the quest for international harmony.

Philosophies, like political beliefs or religions, must be defined by the qualities they possess — not the qualities that other philosophies abhor. Even if there were any substance to the chimeric conspiracy that the fundamentalists call "secular humanism," that conspiracy logically cannot be defined and described merely by the antithesis of what fundamentalists believe — regardless of how "sincere" their beliefs may be.

Our mental hospitals do not lack for helpless individuals who sincerely believe that they are targets of conspiracies, but such beliefs do not make the conspiracies real. The role of state intervention in such cases is to help to bring these people back into the mainstream of the life and thought of their society. Ironically, Judge Hull has advocated the opposite for the beleaguered fundamentalist parents.

KEVIN PADIAN

Berkeley, Calif., Oct. 25, 1986  
The writer is an assistant professor of paleontology and biology at the University of California.

### Strengthen Families to Break the Welfare Cycle

To the Editor:

Two cheers for Blanche Bernstein ("A Way to Break the Welfare Cycle," Op-Ed, Oct. 31), who argues that welfare reform should mean spending more, not less, on programs to improve the nutrition, health and early education of children in poverty. But I think she is mistaken to see such programs as the key to breaking the welfare and poverty cycle.

The heart of the problem is family breakdown — especially teenage parenthood and single-parent homes. Public policies should address this problem directly by fostering stronger families and more parental responsibility. One idea, now being tried in Wisconsin, is to require teenage fathers, whether they are married or not, to assume some financial responsibility for their children. Such a program is but one version of a broader idea that would increase requirements of child support for parents who leave their families through divorce or abandonment.

Another idea is to replace welfare payments, whenever possible, with guaranteed jobs, including child care. It would be costly, but it could offer recipients a genuine ladder out of poverty without the disincentives to work and to family formation that plague the current system.

No amount of intervention by the welfare system, at any stage, can replace strong families as the crucial departments of health, education and welfare for our nation's children. While we can and should spend more on health, nutrition and education of poor children, we must separate symptoms from root causes if the coming round of welfare reform is to break new ground in reducing poverty.

DAVID BLANKENHORN

Co-director  
Institute for American Values  
New York, Oct. 31, 1986

### Wetland Designation On S.I. Is No Blessing

To the Editor:

As the owner of a small parcel of land in Staten Island, I am appalled by the slipshod manner in which the New York State Department of Environmental Conservation has mapped wetlands in the borough. Hundreds of property owners are affected by this action, which means that many of us cannot build on our land, while others cannot alter existing homes.

The department has done this in the name of preserving the environment. But it does not take an environmentalist to realize that much of the property in question does not represent true wetlands. My property is as dry as a bone throughout the year.

Fighting the wetlands designation is a costly undertaking. An individual land owner must hire a biologist or environmentalist, and an attorney. In essence, the Department of Environmental Conservation policy is "wetland until proven otherwise."

Most of all, the likelihood that the department would purchase my parcel at fair market value is improbable, even though the restrictions placed on highest and best use of the land are absolute and totalitarian.

A change in the legislation is needed in order to protect property owners like myself, but even that won't help until the Department of Environmental Conservation learns to follow regulations and applies them fairly. MARY BISIGNANO  
Staten Island, N.Y., Oct. 23, 1986

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

### New York Gave This Marathoner's Feet a Hand

To the Editor:

Before arriving in New York to run the marathon, I was promised that the support from New Yorkers would be unlike that experienced anywhere else. In the event, this proved to be an understatement. The sight of 26 miles of people cheering not just the runners who were known to them but every competitor whether in the first 10 or the last 10 was truly unique.

Taking part in the New York City Marathon has been an experience the memory of which I will carry with me forever. I should really like to thank all those New Yorkers who helped make my day and that of all the other runners so enjoyable (despite pain).

My completion of the race was made possible by the generosity and kindness of one New Yorker in particular. At 13 miles I had wet feet and wet socks and the prospect of dragging feet weighing a ton over another 13 miles seemed impossible. I had friends at 19 miles, but even that seemed "a bridge too far."

Someone had told me that New Yorkers would give me the shirts off their backs. In desperation I decided to try for socks. Finishing the race was made possible for me by the

generosity of the guy who at 13 miles gave up his socks to the first Englishman to ask for them.

Thanks New York. You really soaked it to me. RANDOLPH K. BROWN  
Riverside, Conn., Nov. 4, 1986

To the Editor:

Sunday, my wife and I walked over the north upper level roadway of the Verrazano-Narrows Bridge from Staten Island to Brooklyn. We planned the walk to coincide with the marathon, for pedestrians, so far as we are aware, are allowed on the bridge at no other time.

The bridge itself is thrilling in its magnitude (the towers are set slightly farther apart at the top than at the bottom to accommodate the curvature of the Earth!), and though it was gray, the view of the upper harbor and Manhattan was magnificent.

New Yorkers ought to have an opportunity for a closeup acquaintance with this marvel. Could not the Verrazano's upper north roadway be closed to motor traffic for a few daylight hours one Sunday a month in summer and pedestrians and bicyclists allowed to use it?

HENRY D. BLUMBERG  
New York, Nov. 3, 1986

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## IN THE NATION

Tom Wicker

# Deterrence Or Defense?

Robert S. McNamara, one of the seminal thinkers of the nuclear era, sharply disputes the theory that a limited version of President Reagan's strategic defense plan, designed only to protect U.S. missile forces, would strengthen deterrence and improve nuclear stability.

Instead, the former Secretary of Defense believes, the U.S. should push for nuclear retaliatory forces scaled down by both superpowers to "the lowest force level consistent with stability" — only the number of weapons, probably fewer than 500 apiece, needed to deter the other from attack.

This long-term approach, Mr. McNamara thinks, should be coupled now with a declared policy of "no first use" of nuclear weapons — an approach, he argues, less threatening to the West than the present NATO policy of responding with nuclear weapons to an overwhelming Soviet conventional attack.

The idea of adding a limited defensive system to offensive nuclear forces — "Star Wars Two," as Mr. McNamara described it to a New York audience assembled by the Committee for National Security — is based on the theory that even an imperfect defense would heighten the Russians' uncertainty of success for a "first strike" they might launch against the U.S. Thus, some strategists assert, the uncertainty would make such an attack less likely; therefore deterrence would be improved.

Not so, Mr. McNamara argued; in fact, such a strategy would reinforce Soviet fears that the U.S. was planning a first strike of its own. The Kremlin would have to assume, he said, that the U.S. would launch a surprise attack, destroying some substantial part of Soviet offensive forces, then rely on its limited defense to ward off or even prevent the weakened retaliatory attack that would be all the Russians could muster.

Not only would this prospect weaken nuclear stability by increasing fear and suspicion, he said, but the Russians would respond to it as the U.S. would if the situation were reversed — they would build up their

## Even a limited S.D.I. would not improve nuclear stability

offensive forces in an effort to overwhelm the U.S. defense. That would force the U.S. to respond with a further buildup of its own offensive forces; so a "rapid escalation" of the arms race rather than strengthened deterrence would follow even a limited defensive deployment.

Mr. McNamara urged recognition of the reality that "nuclear warheads cannot be used as nuclear weapons." Even the explosion of small battlefield warheads, he said, would escalate rapidly into a Soviet-American exchange of powerful strategic attacks that would destroy both, as well as Europe and much of the world.

He acknowledged European arguments that NATO's threat to use nuclear weapons in response to a conventional Soviet attack might help deter such an attack. But he refuted it by pointing out that it was inherently incredible that NATO actually would resort to nuclear weapons, when the inevitable Soviet nuclear response would inflict greater damage on Europe than any conventional war could do — and would lead all but inevitably to the ultimate intercontinental holocaust.

"You cannot build a credible deterrent," he insisted, "out of an incredible action."

A "no first use" strategy, he conceded, would require an increase in Western conventional strength. But the Soviet advantage in conventional arms, he said, was not as large as generally thought and could be offset at relatively low cost.

If nuclear warheads could not be used as weapons, Mr. McNamara continued, it followed that neither the U.S. nor the Soviet Union needed more of them than was required to make possible their only credible use — to deter the other from attack, through fear of the response. He said that number should be only "slightly in excess" of the number the other power might be able to build without detection.

These smaller deterrent forces actually would reduce the risk of cheating by either side, he pointed out, because they would be easier to verify and police.

Mr. McNamara dismissed U.S. assertions that the Russians actually were ahead in defensive research. "They know and we know they know," he said, "in fact the U.S. is 'way ahead' in defensive technology and is increasing its lead. This only adds to real Soviet fears that a strategic defense will soon be deployed as part of a U.S. plan for a first strike."

"They're scared to death of us," Mr. McNamara declared, and added: "There will never again be a strategic arms limitation treaty until we eliminate Soviet fears of a defensive strategy."

By Abba Eban

THE most acute and urgent problem facing the new Government established last month in Israel will be the populations and territories in the West Bank and Gaza. If Israel were able to disengage safely from the task of ruling the 1.3 million Palestinians in these territories, it would not only be making a concession to the Palestinian people, it would also be serving its own values and interests.

We may be approaching a point at which the burden of this rule will weigh more painfully on Israel than on the Palestinians under its rule. Last month, Shimon Peres, who was then Prime Minister, noted that if there were no peace settlement in the coming decade, a future prime minister "would have to renounce territories in the West Bank and Gaza unilaterally in order to avoid ruling the Arab population."

Diplomacy is not theology. It does not promise salvation. If a change in the existing situation is useful to one side alone, it is not likely that negotiation will succeed. But surely it is now clear that we are no longer in a zero-sum situation in which a gain for one party is inevitably a loss for the other. That is why Shimon Peres's urgent pursuit of a negotiation with the Jordanians and Palestinians is not only a quest for peace, it is meant in earnest.

The idea of annexing the territories virtually disappeared from official Israeli doctrine in the past two years. The Labor Party unanimously resolved in 1984 and 1986 that permanent Israeli rule over the entire area of Judea, Samaria and Gaza would contradict the Zionist character of the state, undermine its moral and democratic foundations and thwart any hope of peace in the future. In the Knesset elections of June 1984, 1.03 million Israelis voted for explicit anti-annexationist platforms. In September 1984, all previous commitments to ultimate Israeli sovereignty in the West Bank and Gaza were expunged from the coalition agreement. And on March 7, 1986, the Knesset overwhelmingly rejected a motion to apply Israeli law to Judea, Samaria and Gaza. Only 8 out of 120 Knesset members supported the annexationist motion.

Although slogans about the indivisibility of biblical Israel still resound in ministerial orations, both major parties are committed to the Camp David agreement. This is the most renunciatory document ever signed by an Israeli leader with reference to the Land of Israel. It rejects annexation and gives the elected representatives of the Arab inhabitants the decisive voice in determining the permanent status of the West Bank and Gaza. It also requires the withdrawal of the Israeli military and civil administration and insists that any agreement should satisfy the legitimate rights of the Palestine people.

It is beyond the power of the English language to reconcile the Camp David text with the imposition of permanent Israeli rule on the West Bank and Gaza. Prime Minister Yitzhak Shamir's recent declaration of fidelity to the Camp David accord is juridically more binding than any of his party's slogans about an indivisible Land of Israel. In Israel, as in most countries, rhetoric is one thing and policy is another. Foreign opinion greatly exaggerates the degree of Israeli devotion to the idea of permanent rule of the territories captured in 1967.

Nor are the settlements established Abba Eban, former Foreign Minister of Israel, is chairman of the Knesset's Foreign Affairs and Defense Committee.

## Reagan's Revolution Hasn't Ended

By Mark J. Penn and Douglas E. Schoen

THE results of the 1986 Senate election are already being heralded as marking the end of the Reagan revolution in American politics.

With a Democratic gain of eight seats, commentators have widely hailed these victories as a rejection of the President's policies and a demonstration that his coattails have gotten considerably shorter. But most of us who advise Democratic candidates for state and national office know that this is not really the case.

In fact, this election represents a much more complicated result. It marks the institutionalization of the Reagan agenda in United States politics.

In campaign after campaign, Democratic candidates and their strategists recognized at the outset that they had to demonstrate that they accepted the basic outlines of the President's policies before they could begin differentiating themselves from their opponents. Failure to do this, Democrats understood, would lead to defeats similar to the one suffered by Walter F. Mondale in 1984.

Indeed, virtually every successful Democratic candidate for the Senate made it clear from the start that he

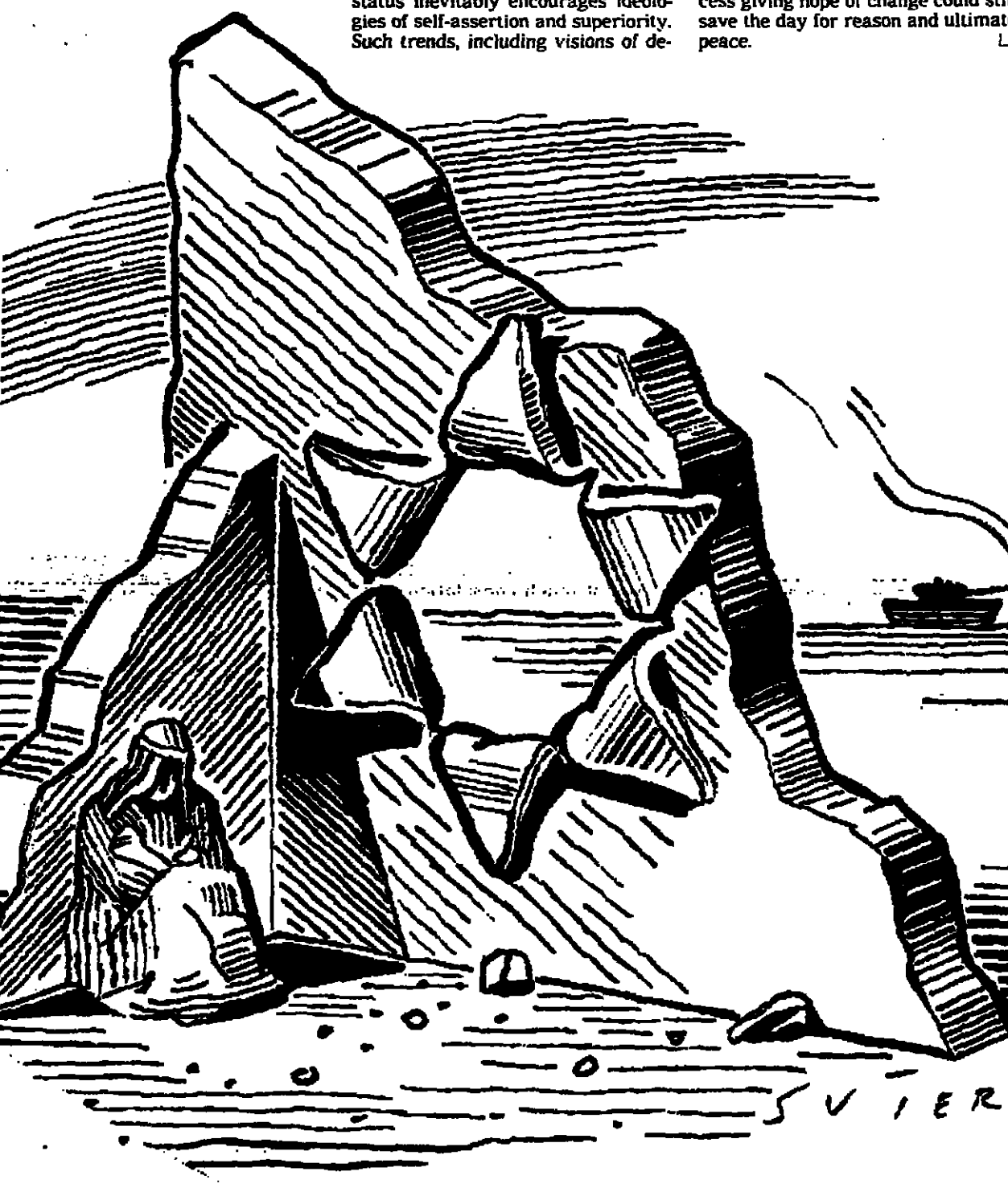
Mark J. Penn and Douglas E. Schoen are partners in the survey research firm that bears their name.

## Shamir's No. 1 Problem

in the West Bank and Gaza as complex a problem as the media sometimes suggest. After nearly two decades of absolute Israeli rule, the Office of Statistics reports that there are fewer than 50,000 Israelis in the West Bank and Gaza. The Arab population is 1.3 million. This means that less than 2 percent of Israeli Jews have settled in Judea, Samaria and Gaza, where they form less than 4 percent of the total population. Clearly, there is no great magnetism at work on Israeli emotions or the sentiments of diaspora Jewry sufficient to make them change the demographic conditions in the territories.

The idea that Israel's security requires permanent rule over Arab population centers has also taken blows in recent months. Security can be insured in a peace settlement with a Jordanian-Palestinian state by demilitarization of the West Bank, selective boundary changes in important areas and, above all, by deterrent power. It is instructive that when Israeli army commanders and heads of military intelligence enter politics, most of them join parties with anti-annexationist platforms. Generals

## It is in his interest to leave Gaza and the West Bank



Yadin, Allon, Dayan, Tsur, Rabin, Bar-Lev, Gur, Herzog, Yariiv, Amit, Weizmann and Lahat are cases in point.

Those in Israel and abroad who urge us to be content with the existing situation may not have analyzed the consequences of their advice. No other political entity in the world today is as incoherent as the combination of Israeli democracy and the populations it rules in Judea, Samaria and Gaza. All our memories, hopes, dreams, historic visions and allegiances flow in different and contrary directions.

The Palestinians live without a right to vote or be elected, without any control over the Government that determines the conditions of their lives, exposed to restraints and punishments that could not be applied against them if they were Jews, permitted to cross into Israel to work, but without permission to sleep overnight. It is a bleak, tense, disgruntled, repressed existence, with spurts of violence always ready to explode. There is no precedent for believing that this condition can long endure without explosion.

Israel lives in a state of structural incoherence. If we were to hear that the Netherlands was imposing an unwanted jurisdiction on four million Germans, or that Americaproposed to incorporate 80 million Russians into the United States against their will, we would assume that they had taken leave of their senses. Yet some people still talk of Israel ruling a foreign population that accounts for 33 percent of its own inhabitants as if it were a serious option.

Such rule would have serious ideological effects. The need to control an other nation of unequal rights and status inevitably encourages ideologies of self-assertion and superiority. Such trends, including visions of de-

stroying Moslem holy shrines and invocation of vengeful passages from ancient writing, are already being enacted in real life uncomfortably close to the center of our political and religious spectrum. And there is no solution within an undivided land. If we give voting rights to the inhabitants of the territories, our parliamentary decisions will be determined by members of a foreign nation and we shall lose the vision of a Jewish state. If we deny them voting rights, we shall lose our place in the democratic family and find ourselves morally adrift.

The emergence two years ago of a prime minister with a bright vision of regional order should have stirred the other actors in the drama to greater urgency. The aim of Mr. Peres and those of us who sustained his cause was not to settle substantive issues ahead of negotiation but to create the negotiation in the hope that the solution would flow from it. This was not fully achieved because all the other watches were running at a slower rate than that of Mr. Peres. Egypt held off until too late. Jordan advanced toward negotiation only to recoil. The Palestinian leaders refused to qualify for a dialogue. They have never missed a chance of losing an opportunity. And the United States did not offer the persevering and intellectually resourceful conciliation that produced five signed Arab-Israeli agreements between 1974 and 1979. So Mr. Peres's time ran out before the other participants in the peace race had developed their rhythm.

The condition for redeeming the situation lies through diagnosis of the current situation as unacceptable. Then, an agreement or at least a process giving hope of change could still save the day for reason and ultimate peace.

## WASHINGTON

James Reston

# A Test For the Democrats

THE Democrats have come back to Washington proclaiming their victory in the Senate elections and promising to cooperate with the President during his last two years in the White House.

It would be risky to bet the family's savings on this promise, particularly on issues of domestic policy, but they will have a chance to prove their good faith in the continuing U.S.-Soviet negotiations on the control of nuclear weapons.

This is still the most important political question in the world today, but the progress made by President Reagan and General Secretary Gorbachev at Reykjavik last month seems to be slipping.

The Soviet Foreign Minister, Eduard Shevardnadze, was not only decidedly negative but wickedly sarcastic in his meetings with Secretary of State Shultz and other NATO foreign secretaries this week in Vienna.

He dismissed Mr. Shultz's efforts to clarify the Reykjavik proposals as "a mixed bag of old mothballed views and approaches," and convinced some officials there that Moscow had given up on reaching an agreement with President Reagan and was prepared to wait for Mr. Reagan's successor.

If true, this is a risky conclusion. Two years is a long time when both sides together are producing about six additional nuclear weapons every day. Accordingly, it might be useful if the Democrats made clear to the Russians that on this presiding question of reducing nuclear weapons they really mean to cooperate with the President if he is willing to cooperate with them in reaching a bipartisan nuclear policy.

This would require Mr. Reagan to take the leaders of the other party into his confidence and even into the negotiations, as Presidents Roosevelt and Truman did at the end of the last world war.

There are some differences now between the parties, particularly on the President's "Star Wars" policy, but these are not insurmountable, and fortunately, the Democrats' expert on defense, Senator Sam Nunn of Georgia, will now be chairman of the Senate Armed Services Committee.

## If the chance for nuclear compromise is not to be lost...

Another argument for reaching a bipartisan agreement before another summit meeting with Mr. Gorbachev is that any agreement would have to be confirmed by the Senate, and this could not be achieved without the help of Senator Nunn and the Democratic majority.

The immediate problem, however, is to disabuse the Russians of any notion they might have that they can divide the parties and count on a different deal with the next President.

For the moment, Mr. Reagan is in a slump. He has been caught in a series of embarrassing situations, first in a deal that wasn't a deal over the Daniloff case, then in a White House "disinformation" program, followed by the capture of an American gunrunner in Nicaragua, and finally in some sort of hocus-pocus to allow arms shipments to Iran in exchange for American hostages.

So to prevent Moscow from taking advantage, much will depend on how the leaders of both political parties act toward one another after they analyze their new post-election positions.

The White House chief of staff, Donald Regan, has taken a rather hard line since the voting. The Administration will simply go on as before, he says, insisting on its own agenda.

The President had some rough language for the Democrats, particularly for Senator Cranston of California, the Democratic whip, and has been talking since the election of still fighting for his "Star Wars" policy unchanged, and for a line veto and a constitutional amendment to balance the budget.

Likewise, some Democrats have been blowing off about how they are now going to insist on their own legislative agenda for the next two years, but all this boasting and posturing is so much political smoke.

The fact is that the Democrats do have a 10-seat margin in the Senate, which is something but not enough to overcome a Presidential veto. So both parties are stuck with one another, and must cooperate or face two long years of stalemate and Presidential politics to the detriment of the country, and probably the despair of the allies and the delight of the Russians.

Mr. Reagan faces the problem Woodrow Wilson fumbled when he refused to cooperate with the Democrats over the formation of the League of Nations in 1919, the same problem that Roosevelt and Truman mastered by cooperation with the Republicans rather than confrontation.

So maybe what's needed is a summit meeting between the President and party leaders on Capitol Hill, if the promise of a nuclear compromise is not to be lost.

## Democrats took over his agenda

opposed wasteful spending on social programs, opposed using tax reform as a way to raise taxes and supported government policies to encourage economic growth and traditional American family values.

This approach represents more than just an abandonment of New Deal policies. It marks a virtual co-optation of the rhetoric, ideas and policies that swept Ronald Reagan into the White House in 1980 along with a Republican majority in the Senate.

In many ways, successful Senate Democratic candidates in 1986 did what the Eisenhower wing of the Republican Party was able to do in the 1950's and early 1960's when the philosophy of New Deal social welfare policies was broadly accepted by the American people.

During that period, many moderate Republicans indicated that they accepted the premises behind the New Deal but they argued that their party could make government work more effectively than the Democrats.

In this year's Senate contest, it was only after Democratic candidates succeeded in demonstrating that they shared the Republicans' basic positions on fiscal issues that they could turn to the local issues and personality differences that led to such a sweeping Democratic victory.

If there was a difference from the four previous Senate elections in the

1978-1984 period, it had to do with swing voters. This time, their votes were decided by issues other than the taxing and spending questions that swept Ronald Reagan into the White House in 1980 and gave the Republicans control of the Senate.

The contrast between the 1986 contest and the 1982 midterm elections — when the Republicans lost only two seats and economic conditions were much worse — is striking.

Democrats in that contest did succeed in making unemployment and Social Security national issues. But President Reagan and other Republicans succeeded in averting a more dramatic defeat in the Senate and House elections by returning, in the last week, to the fiscal issues that their party had used so successfully two years earlier.

The 1986 election was called "issueless" largely because the Democrats succeeded in making it that way. By making clear throughout the campaign that they were committed to precisely the same fiscal principles that have guided President Reagan, they made it awfully hard for him to charge convincingly that they are big spenders.

Besides, given the way that the Federal deficit has grown in the past six years, Mr. Reagan and the Republicans could hardly argue that they could do a better job on that issue — the issue, according to most polls,

that was uppermost in the voters' minds.

In the absence of a clear difference on fiscal issues, Democratic candidates were free to exploit their advantages — advantages based on personality and on local issues. On a man-to-man and woman-to-woman basis, Democratic candidates were rated more competent than their Republican opponents. On issues of local concern — whether it was nuclear waste in Washington and Nevada, textile production in North Carolina or help for embattled farmers in the Dakotas — Democratic candidates were viewed as having better policies.

The blurring of differences on fiscal issues also explains why the campaign became so personal and nasty. With few policy differences, candidates had to resort to personal attacks and comparative television commercials to make their case. And because the Democrats by and large had better candidates with stronger records, their attacks were ultimately more credible than those offered by their Republican opponents.

So far from being "issueless," the 1986 midterm election represents the institutionalization of an anti-New Deal consensus in American political life — a consensus still largely shaped by Ronald Reagan. The Democrats demonstrated tactical skill in co-opting this message and winning eight Senate seats, but they have yet to outline a vision of the future for the 1988 Presidential election and beyond. That is the question to which the party must now turn.



# Top Talent Is Back to the Classics

By MICHAEL BILLINGTON

THE most significant event of a busy autumn season in English theater has been the return of Trevor Nunn, the country's most successful director, from the field of popular musicals to Elizabethan classics. After directing a string of musical hits ("Cats," "Starlight Express," "Les Misérables" and "Chess" as well as "Porgy and Bess" at Glyndebourne), Mr. Nunn is back at Stratford-on-Avon with a production of a little-known Elizabethan comedy, Thomas Heywood's "The Fair Maid of the West," at the Royal Shakespeare Company's new Swan Theater. The prodigal son was not more welcome on his return: for Mr. Nunn's latest production has an inventive skill and humanist warmth that flows out from the stage and takes over the entire auditorium.

The Swan, which opened this year thanks to an American benefactor who wished to remain anonymous, is a 400-seat, neo-Elizabethan playhouse that exists to put Shakespeare's work in context. And on Thursday it receives an official royal baptism with Queen Elizabeth II scheduled to attend a performance of "The Fair Maid of the West." The play itself (a two-part saga possibly dating from around 1599) is a lively example of the popular comedy of its day. It has scant literary merit but a hurling, picaresque narrative that suggests an Elizabethan "Raiders of the Lost Ark." Its heroine, Bess Bridges, is a Plymouth barmaid who is separated early on from her lover, Captain Spencer, and who goes halfway round the world to find him. She fits out a ship to sail to the Azores, gets involved in sea fights on the Spanish main and winds up at the court of a Moroccan king, Mullishag, where she is finally reunited with her lover. The play emerges as a tribute to female constancy, group loyalty and English maritime pluck.

In staging the piece, Mr. Nunn uses many of the techniques of "The Life and Adventures of Nicholas Nickleby." The actors are milling about the smoke-filled auditorium as we enter. We are invited to cheer the heroes (and heroine) and hiss the villains. And, most important, the simplest props are employed to create stunning visual effects. Just as in "Nickleby" (also designed by John Napier) a stagecoach was created out of tables and chairs, so here the Swan stage is miraculously transformed into a ship: ropes are tethered to a rail running round the stage perimeter, a couple of canvas sheets become sails, benches and trestle-tables turn into a poop-deck. It makes the millions of pounds currently spent on high-tech design, not least in Mr. Nunn's own musical productions, look wasteful and unimaginative.

But the success of the production lies in Mr. Nunn's eclectic use of popular tradition. He deploys everything from ballad-opera — with Imelda Staunton's Bess breaking into song to register the pathos of a woman alone — to Victorian pantomime: at one point, the audience is invited to join in a song in praise of the solid properties of English ale. The play itself, when it gets to the Moroccan court, lapses into frantic contrivance that not even this production can conceal. Heywood's flaws, however, are re-



Jeremy Irons in "Richard II."

deemed by a spirited ensemble whose members use every inch of the building (actors swing from the galleries on ropes in imitation of Douglas Fairbanks) and who constantly take the audience into their confidence. Having turned Heywood's superior hack-work into a hit, the only problem the R.S.C. faces is what to do with it when the Swan season ends in January.

The success of the Swan this year has also tended to upstage the Shakespearean offerings in the main house at Stratford. After a series of eccentric, modern-dress productions (do we really need a 1930's "Midsummer Night's Dream"?), we are now offered a comfortably traditional, medieval picture-book production of "Richard II" directed by Barry Kyle and starring Jeremy Irons as the king. Mr. Irons, first seen in a peacock-blue cloak on the floor rearing in his terrain, offers a well-thought-out interpretation. He plays the first half like a pre-Raphaelite

Machiavelli idly toying with a rose while appropriating John of Gaunt's lands. In the second half, he becomes a Christ-like penitent with just a hint of mercurial calculation. It is an intelligent, persuasive reading; and it ends with Mr. Irons going to his death vigorously fighting like a savage, cornered animal tethered to an iron chain.

The one element missing from Mr. Irons's performance is sheer musicality. Richard's self-intoxicated speeches of surrender at Flint Castle are great blank-verse arias that require a Gielgudian melodic cadence. Mr. Irons's voice, though supple and flexible, lacks range; and it is highly significant that a resonant line like "Down, down I come like glistering Phaethon" is almost obscured by the drumlike turntable in William Dudley's set spiraling round to bring the king back to earth and reality. As in so much modern production of Shakespeare, the visual metaphor replaces the verbal excitement.

And although the R.S.C. fields a capable supporting team, there are telltale signs that modern actors find it hard to adjust to the classic tradition. Michael Kitchen, always at ease in Pinter and Stoppard, plays Bolingbroke like an ironic Cockney who has inexplicably landed up in medieval England. But it is at least cheering, given current trends, that Mr. Irons's sympathetic Richard does not make his entrance on a motorbike.

One way to rejuvenate the classic tradition is to import foreign directors to work with English actors on foreign plays. It was a device much used by Laurence Olivier at the National Theater in the 1960's, but it has since fallen into abeyance. Proof of its value was recently provided by a superb production at the Lyric Hammersmith of Federico Garcia Lorca's Spanish tragedy about female frustration, "The House of Bernarda Alba," written shortly before his death in 1936. The production, having completed a sell-out run at Hammersmith, is scheduled to transfer to the West End early in the new year. The play was directed by a leading Spanish actress, Nuria Espert, designed by an Italian, Ezio Frigerio, and featured an all-English female cast headed by Glenda Jackson and Joan Plowright. A modern classic was brought to life through international cross-fertilization.

Lorca's play is about the passion and despair of the five immured daughters of the widowed, tyrannical Bernarda Alba; and the dominant image of the production is of black-clad women trapped like bottled insects inside a walled, sun-baked courtyard. At one moving moment, Bernarda's encased daughters hunch over their sewing machines in the canopied courtyard while outside the men sing as they go off to harvest: it is pure theatrical poetry showing women enclosed by the house, history and sexual custom while the men enjoy relative freedom. But Nuria Espert's achievement is that she has broken through Anglo-Saxon restraint to present us with a household of women driven mad by sexual frustration.

Glenda Jackson, though too young to be an ideal Bernarda Alba, watches over her brood like some vicious, snarling leopardess; and Joan Plowright is even more memorable as Ponia, the servant chained to the family by habit, yet suggesting there is a world of sense and sensuality elsewhere.

Another production to rely upon an imported — though hardly unfamiliar — talent is Andrew Lloyd Webber's new musical, "The Phantom of the Opera," directed with swaggering theatricality by Harold Prince. At a time when the British musical is dominated by extravagant high-tech sets and opulent displays of engineering, Mr. Lloyd-Webber's show is pleasantly and reassuringly old-fashioned: hokum presented and played with total conviction. Going back to Gaston Leroux's original 1911 novel, it tells a good story about a disfigured hero who can only express his love for a soprano by becoming her musical inspiration.

## Arts & Leisure

The play is staged with considerable panache, especially during the descent into the phantasmagoric world underneath the Paris Opera and the passage across a candle-filled lake reminiscent of one of mad King Ludwig's Bavarian castles. And Mr. Lloyd-Webber's score ranges from his own instinctive, lush, pop-Puccini style to a series of operatic pastiches: ersatz-Mozart, parody-Britten and what one can only call Metro-Goldwyn-Meyer-beer.

Michael Crawford clearly sees the Phantom as a member of a beleaguered minority deserving support and plays him more for twilit pathos than demonic horror, and Sarah Brightman sings sweetly as the captive soprano. When the current fashion is for musicals based on boy-meets-hologram, it is refreshing to find one that pins its faith in character, story and theatrical illusion.

Among contemporary plays, David Hare's new double bill at the National's Cottesloe Theater, "The Bay at Nice" and "Wrecked Eggs," promises more than it de-

It is cheering, given the current trends, that Mr. Irons's sympathetic Richard does not make his entrance on a motorbike.

livers. Hare's theme is the nature of freedom in two contrasted societies: Leningrad in 1956 in the first play, New York State in the present in the second play. In both works we are confronted by disintegrating marriages, and Hare's point seems to be that working out a personal moral system is no easier in the context of American success-worship than it is under the crippling restraints of Communism. There is much good talk and fine performances from Irene Worth in the first play as a rigorous Soviet Matisse-expert and from Zoe Wanamaker in the second as a solitary New York press agent, but one feels that Hare's moral passion has won out over his flair for dramatic action.

Two of the best new plays are, in fact, on view in the commercial, West End theater. Alan Ayckbourn's "Woman in Mind" is an extraordinarily audacious tragic-comedy about a middle-aged woman literally torn between dreary reality and seductive fantasy. It boasts a bravura performance from Julia McKenzie. The other play is "Breaking the Code" by Hugh Whitmore (who wrote "Pack of Lies"). It tells the engrossing story of Alan Turing, a mathematician and computer pioneer who both cracked the German Enigma code during World War II and broke the English code of sexual discretion through his open homosexuality. Whitmore vividly shows the conflict between individual and state morality, and Derek Jacobi's Turing is a plausible Peter Pan figure for whom the idea of creating a nonliving brain becomes a substitute for lost-mother-love.

## 'Soul Man' Is Slick, But Its Message Is Only Skin Deep

By JANET MASLIN

Anyone who imagines that the 80's are a decade without personality would be well advised to see "Soul Man," a comedy that could not possibly have been made at any other time. Indeed, it's hard to imagine an era in which this film's very premise — that a rich white boy could masquerade as black in order to collect a scholarship to Harvard Law School — wouldn't have raised a few hackles somewhere. But "Soul Man" is funny, and although it's a hit with predominantly white audiences, blacks who come to see it appear to be laughing too. They are easily disarmed by a film that has less to do with racism than with ambition, and that works so hard to make sure that its audiences, like its characters, never think.

With material as potentially inflammatory as this, the job of framing it in terms an audience will accept and understand becomes especially delicate. There's a constant danger of appearing either glib or preachy, or of just plain scaring viewers away. The recent documentary "Rate It X," about male attitudes toward women, made careful, intelligent use of material that was as potentially controversial as anything in "Soul Man." The subject was sexism, and the directors, Lucy Winer and Paula de Koenigsberg, found ways of examining it without exploitation. What would be the best way of including pornographic pictures in a film determined not to tease its audience? How best to make viewers stop to reconsider their own biases? What was the way to make audiences genuinely re-examine the ordinary photos and homilies, logos and advertisements that they take for granted? Ms. Winer and Ms. de Koenigsberg neither harangued nor patronized their viewers, and they found graceful, thoughtful ways of accomplishing all of the above. It can be done.

While "Soul Man," directed by Steve Miner, deals with an equally sensitive subject, its tactics are unquestionably brash. It's clear from the film's very opening, in which the fun-loving Californian college boy Mark Watson (C. Thomas Howell) wakes up with a strange blonde in his bed, that Mark is shallow, irresponsible, opportunistic — and proud of it. He regards the opportunity to attend Harvard Law School as a lark, as well as a happy occasion for having triumphed over the other applicants. And when his father suddenly refuses to pay for Mark's tuition — one of many turns of fate that are explained humorously if none too convincingly in Carol Black's screenplay — Mark is willing to try any gambit to get in. Though he chooses to disguise himself as black, it's conveniently arbitrary. Mark is someone who would just as willingly have dressed as a radish, if that could have done him some good.

"Soul Man" borrows busily and unapologetically from "Tootsie," but the differences are instructive. When Dustin Hoffman's Michael Dorsey chose to pass himself off as a woman named Dorothy Michaels, he was both an actor desperate for work and a professional enjoying the challenge. He brought an irrepressible curiosity to his woman's role, and that became the source of much of the film's humor. In "Soul Man," on the other hand, Mark pays so little attention to the transformation that he doesn't bother to alter his voice or manner. The makeup job that creates Mark's blackness — supposedly the result of an overdose of experimental suntanning pills — is so unconvincing that one can't help wondering whether the effect is deliberate, an intentional way of allowing the audience to take the whole thing lightly.

Also, if in "Tootsie" Michael adopted the masquerade for the sake of his career, he had no competitive motive; Mark has a direct rival for his place at Harvard in the form of a fellow student, whose pushy girlfriend (played wickedly by Julia Louis-Dreyfus) is Mark's true nemesis. And if Michael finally learns a lot about women by impersonating one, he also learns about his own unexamined attitudes toward them. Mark learns just enough to abandon his smirk, smart-alecky manner, and to make some not very convincing promises to donate part of his future income to a scholarship for black law students. He also learns enough to slug two classmates who have been noisily telling racist jokes throughout the film. But why must they tell five such jokes before the point is made? And why is it Mark, and not any of his black male classmates, who plays the hero?

"Tootsie" used its masquerade plot to involve Mi-

chael with two different women, one who saw him as a woman, and one who saw him as a man. There are also two girlfriends for Mark in "Soul Man" — not to mention a wisecracking buddy, played drolly by Arye Gross and owing a lot to Bill Murray's "Tootsie" roommate — but they do nothing to cast light on Mark's character. And the film's real attitude toward women is perhaps best expressed by means of Mark's mother, whose husband replies "Shut up, Dorothy" to everything she says.

Sarah Walker (Rae Dawn Chong, who is utterly charming here) is hard-working, intelligent and black; like all the black characters in the film, she is a noble, one-dimensional paragon. For contrast, Whitney Dunbar (Melora Hardin) is white, from a wealthy, prejudiced family (this gives Mr. Miner an opportunity to do his own version of the dinner-table sequence from "Annie Hall"), and she's avidly interested in black men. "This is an amazing coincidence — I happen to love civil rights!" says Mark, in the film's typically facile tone, when Whitney tells him about her dissertation on that subject. At other points in the film, Mark exclaims things like "I love the law! I love being black!" and "These are the 80's, it's the Cosby decade. America loves black people!"

What's extraordinary about "Soul Man" is that it manages to be funny in spite of all this, and that it doesn't even bother to be cynical. Mark's masquerade isn't a calculated ruse; it's simply the act of a lazy, ambitious guy who'll do anything to further his own aims. This, in the film's very contemporary view, is acceptable and even sympathetic behavior. Audiences may well be bored by Mark's token show of humility at the film's end, because it's so out of keeping with everything else that's known about him, and because it's so much less amusing than what precedes it. Besides, there is never any reason to take the character seriously, and so his late-in-the-day transformation into a responsible fellow carries no weight at all.

As played by C. Thomas Howell, Mark has the familiar devil-may-care attitude of someone in a frat-house film, without any troublesome individuality. He's simply a type: privileged, self-satisfied, eager to take chances when there's nothing really at stake. (The fact that Mark's family is well off, which supposedly has done him no good at Harvard, contributes greatly to the film's complacent tone.) Though the film makes a joke of Mark's ignorance about blacks (in a scene that has him wearing just the wrong outfit to a black law students' meeting), and though it decries his attempts to play upon the sympathies of a black professor (played to the stentorian hilt by James Earl Jones), it's most offensive when it tries to commend him on his minuscule advances. A scene in which Mark suddenly becomes the victim of prejudice, so that he can show up in class with a brand new outlook and a conspicuous black eye, does absolutely nothing to give weight or consequence to his little experiment.

The comedian Joey Bishop, making a recent television appearance to tout the nicer qualities of his friend Frank Sinatra, referred briefly to racial prejudice and to his other friend Sammy Davis Jr.'s way of dealing with it. He described a scene in a restaurant in which someone made a loud, racist remark about the presence of a black person, and Mr. Davis comically shouted "Where? Where?" There's a scene in "Soul Man" that's very like that, and indeed the film's attitude is comparably jokey — and comparably meek. Blackness, this film says, is a potential inconvenience that can be used to good advantage. It's a connection with great music and exotic romance. It's just like middle-class whiteness, as it is on "The Cosby Show," only a little bit different. It need not represent any new way of looking at the world, particularly for a white person, like Mark, who has absolutely no interest in looking beyond himself.

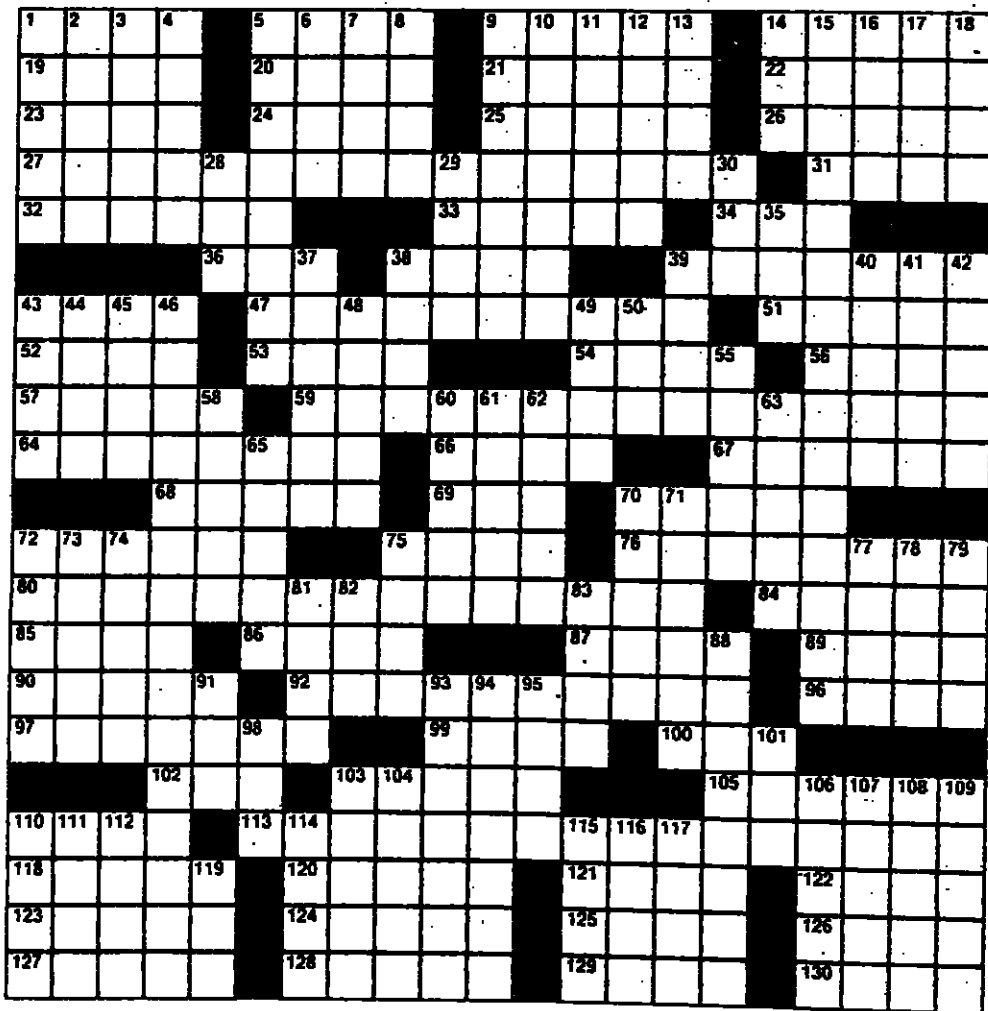
The 80's have an amazing way of producing slick, ingenious, heedless movies that mean to be all things to all people, and nothing in particular to anyone. You can't even describe a "Top Gun" or a "Legal Eagles" without hypenating a few genres (as in "comedy-action-adventure-flyboy romance"), and that doesn't begin to do justice to these films' voracious opportunism. But if the one-size-fits-all mentality with which they are tailored makes these films essentially timid, the need to make a fast, strong impression on the ticket-buying public calls for at least the appearance of audacity.

### Initial Impressions

BY ROBERT H. WOLFE/Puzzles Edited by Eugene T. Maleska

#### ACROSS

- 1 Skirt
- 5 Oriental servant
- 9 Pointed
- 14 Syracuse specialty
- 19 Bakery flute
- 20 Khartoum's river
- 21 Nautical plank or block
- 22 Mary from Quincy, Ill.
- 23 Dashiell contemporary
- 24 Sustentacular tissue
- 25 Selassie
- 26 Ray
- 27 F.T.C. concern
- 31 Nice summers
- 32 Sonnet ending
- 33 Bailiwicks
- 34 Airport abbr.
- 36 A constellation
- 38 A supporter of: Suffix
- 39 Goblet
- 43 Radiate
- 47 What F.H.A. mortgages are and aren't
- 51 Horn
- 52 Franck oratorio
- 53 He painted "Dog Barking at the Moon"
- 54 Hibernian chief's stronghold
- 56 Coin in Qing and Glass
- 59 S.B.A. concern
- 64 Transitory
- 66 Indonesia's — Islands
- 67 Composer of 10 symphonies
- 68 — tours (exactly corresponding)
- 69 Sports announcer Scully
- 70 Take for — (swindle)
- 72 Transported in a barge
- 75 Vertebral cushion
- 76 Certain activity of uncertain producers
- 80 T.V.A. concern
- 84 Plush helmet
- 85 Cupid
- 86 Breather
- 87 Mouthward
- 89 Hosea in the Douay
- 90 Reagan Attorney General
- 92 Like the F.A.A.'s area of concern



- 96 Wimp's cousin
- 97 Campaign paraphernalia
- 99 Golconda products
- 100 Tuck's partner
- 102 Charlemagne's dom.
- 103 Asphyxia
- 105 Dickey
- 116 R. Cook novel
- 117 What I.R.S. won't wish us
- 118 Use a podium
- 120 Galsworthy novel
- 121 Sora
- 122 Fosse
- 123 Antileban island
- 124 Venerate
- 125 Flask for Pericles
- 126 Bit
- 127 Former German coin
- 128 Jon Vickers, e.g.
- 129 Henbit or plantain
- 130 Becker boomers

#### DOWN

- 1 Banjo ridges
- 2 "Casablanca" actor
- 3 — Bell (Emily Brontë)
- 4 Choose
- 5 Wavelength unit
- 6 Actor O'Shea
- 7 Arabic letter
- 8 Intense emotion
- 9 Phoenician goddess
- 10 First words of "Saint Louis Blues"
- 11 Ballerina Shearer
- 12 Greece, to Greeks
- 13 Quicclaim
- 14 Dance step
- 15 What NASA did
- 16 R.b.i. o.e.a.
- 17 Carry
- 18 Calypso's father
- 28 Large parrot
- 29 Leporid
- 30 Sunset time, to Shelley
- 35 Spasm
- 37 Kind of husbandry
- 38 Korean money
- 39 Father of Enos
- 40 Hydroxyl compound

- 41 Lake in Finland, to a Swede
- 42 School tool
- 43 Formerly, formerly
- 44 Sordine
- 45 Article
- 46 N.R.C. concern
- 48 Vibrato
- 49 Advocate forcefully
- 50 Won at musical chairs
- 55 Encircle
- 58 Anchorite
- 60 Crane on a cruiser
- 61 Cohan's ancestors
- 62 Time being
- 63 Mubarak's predecessor
- 65 Dangerous gaseous element
- 70 Macaw
- 71 Tarry
- 72 Inundate
- 73 Kind of role
- 74 Indians of Okla.
- 75 Vier preceded
- 77 — dixit
- 78 Opposite of 91 Down
- 79 Turned right
- 81 "Comment aller?"
- 82 Geller's talent, for short
- 83 Deer
- 88 Talked stupidly and carelessly
- 91 Eterne
- 93 Ineffective protagonist
- 94 Sport of a sort
- 95 Jalopy
- 98 Sleep stage
- 101 Cosset
- 103 Battery termi-
- 104 Gateway
- 106 Comprehensive treatise
- 107 Of Priam's realm
- 108 Growing out
- 109 Creator of the Moffats
- 110 Kind of tail
- 111 Odd, in Oban
- 112 Beat
- 114 Rat
- 115 Spot for a figurehead
- 116 Mythical beast
- 117 Herrick's "Cherry —"
- 119 Site for a drum

#### ANSWER TO PREVIOUS PUZZLE

CLASP GARY CHAG PEARL  
LITTLE UNTH PRAGA LENA  
ANAL TIER MOVER ERNE  
ROPPED MOURN UNWAVE  
ABLE BLSD LANE  
ENERGICUS OAS ELADIS  
RECURRING EDITION CANARD  
USUAL AULS EVELL STAL  
PVED REGIER VADONATE  
VAY OUD DODEN HOVE  
SEAN ELLER OVEY  
ESTONE NEWCOM RED PAN  
PUBS DIT SENSE SORA  
KNOI DUNE EVELL SORA  
FEMER YHODERIN SORAN  
USUAL AULS EVELL STAL  
ANOVER SAND MALETONAY  
JIP DODD ELAT  
URRALLTHYHYNAL ELADIS  
KNOI DUNE EVELL SORA  
FEMER YHODERIN SORAN  
USUAL AULS EVELL STAL  
ANOVER SAND MALETONAY  
JIP DODD ELAT



# Tangles in tying the knot

**RANDOMALIA**  
Miriam Arad

"NO," said Elana on the phone, "I can't come. I must go have my hair done this afternoon. I've got a wedding" (for that's how your Israeli puts it: *Yesh li hatuna*). She didn't say so outright, Elana, but her tone of voice gave that *hatuna* the quality of an unavoidable and none-too-pleasant obligation.

Odds are that besides having her hair done, she also had to buy a new dress, since she couldn't possibly wear the green silk again, she'd been to two weddings, a bar mitzva and a brit in it already. What with the wedding present - a coffee set - and the last-minute discovery that both of Yankel's white shirts were in the wash ("So I'll wear my blue one," "No you can't," "Why can't I?" etc.), it's not surprising that Elana considered her wedding more a burden, financial and otherwise, than a delight.

So I ask: who needs weddings? To forestall the wrath of any religious readers, let me say at once that I don't mean "people shouldn't get married at all." I only mean they should think twice about involving some 300 others in the experience, since it looks as though they are doing no one any favour by it, and that includes themselves.

Whatever the financial burden to



Weddings...much joy and other emotions (Debbie Cooper)

the guests, it is nothing compared to what the young couple's parents have to fork out. A right and proper wedding in a hired hall may run to some NIS 12,000-15,000, including the 150 printed invitations, the bride and groom and the Waldorf salad. Think what those two young'uns could do with such a sum! Furnish a whole flat, or, alternately, live in a rented one for three years; take a honeymoon trip to the Far East; send themselves through university. Instead of which they spend it all on one evening's not very jolly bash.

WELL, there are the presents. For the guests this is a great headache. Shall we give them a cheque or buy them something? A cheque is so impersonal, and you never know how much to give. A present would be nicer, and might come less expensive too. Yes, but then what shall we buy them? A hard question.

Another hard question, this time on the young couple's part: what's to be done with three coffee sets, four dozen cake forks, two electric kettles, or a tablecloth so hideous you'd hardly use it for a floor rag? You

could exchange two of the three coffee sets, but dear Aunt Flora for one is sure to be terribly hurt if she came to visit and didn't get coffee served in "her" pink-and-silver cups. The tablecloth, on the other hand, turns out to have been bought at Macy's.

So I don't wonder at the young people who put off the wedding as long as they can. Quite a few of them, nowadays, live together for two or three years without benefit of clergy, and only get married in the end because of Grandma. Or because, in their abysmal ignorance of Judaism, they believe that otherwise their children will be bastards. Or because they won't be entitled to a flat in a Ministry of Housing *shikun*, or to a mortgage. Or - and that no doubt is the majority - because they are young conformists under their skin, just like their elders and betters. Which is why, in the final analysis, it's little use arguing against weddings. It isn't a rational thing. It's more in the way of those other rites of passage, birth and death: none of us enjoys the activity, yet we all get on with it.

## Food fuss



**Furs, fins and feathers**  
by D'vora Ben Shaul

and sometimes causes severe constipation.

When a pup is six months old it starts to get two meals a day, obviously larger meals than before. Around a year to 15 months is, I think, the right time to go over to a proper carnivore diet of one feeding a day. Some people prefer to feed the adult dog twice but if they do they should be careful to divide the one feeding into two portions, not to feed more because it is in two meals.

Naturally, for pups I use a good vitamin A plus D and calcium supplement and your vet will tell you which he prefers. This is especially important in the large breed dogs and must not be overlooked. The only larger dogs I have seen in Israel that can grow up without these additives and yet not get rickets are the Canaan dogs.

As a dog gets older and less active it should get more nourishment from less food, especially cutting back on too much carbohydrate and thus keeping too much weight from plaguing aging joints.

The fussy dogs that won't eat this and won't eat that are usually the product of their environment and I

can say with assurance, that after years of keeping a kennel, I have yet to see the dog that didn't gobble up his kibble and meat after the end of the first 48 hours. They may have insisted on chicken at home but in kennel they ate the standard fare with great relish.

CATS ARE quite different in this respect and will often nearly starve if they don't fancy the food. They have remarkable reserves of will and insistence and they are not willing to change their habits. Part of this is due to the fact that the cat usually does not adapt to kennel conditions as well as dogs do and seems really to suffer from this type of confinement.

My cats do not get milk although I know that the "saucer of milk" seems sacred to many owners. They eat dog kibble, meat for animals from the supermarket, the cheapest fish fillet available and as a treat sometimes scrape from the fishmonger which I insist they eat outside. They drink water but not always from the bowl provided. The old tom only likes to drink from a dripping tap and the younger female drinks from the fish pool. So much for that.

Cats do not usually get overweight like dogs do, they are much more modest in their demands and know how much is enough. Their weight, of course, fluctuates from season to season; they are usually the heaviest at the beginning of winter, getting quite thin in the mid-winter breeding season and then returning to normal over a few weeks. Nursing animals, whether cat or dog, should have more food and usually in several feedings. It is not necessary to give them milk; it's a myth that they need milk to make milk. What they need is plenty of protein, extra calories for energy and lots of fresh water to drink.

As to choice of kibbled food, I usually try to choose one with a lower fat content since we are a hot country and many of the imported foods or the locally produced foods that follow a foreign formula are best for dogs in a cold climate. Other than that it's really a matter of which your dog or cat prefers.

was the gypsy pair of *Frasquita* and Mercedes, sung by Raya Zusskind-Gonen and Mariamne Frager, which provided much needed liveliness and movement. A real discovery was soprano Ruth Tavor as Micaela. She still does not know how to bear herself on stage but her flawless voice and her remarkable musical devotion made her aria in the third act one of the highlights of the production.

I cannot absolve the conductor, Roger Norrington, from his responsibility for the shortcomings which he shares with the director. Nevertheless he has my admiration for what he did. The Jerusalem Symphony Orchestra sounded splendidly spacious, and rich in sonority, and though Norrington kept it strongly involved in the action, all through the performance, he never drowned out the singers.

**BENJAMIN BAR-AM**

### CORRECTION

The article "Polling the Palestinians" in our issue of November 7 was by Najwa Makhoul, and not as printed.

## CRICKET

# Botham sad but firm on leaving Somerset

PERTH, Australia (Reuter). - Ian Botham said yesterday was the saddest in his life after hearing that Somerset had dismissed West Indies stars Viv Richards and Joel Garner, and he confirmed he would leave the English county cricket club.

Botham, 30, said he was told by his parents yesterday morning of the club members' vote to sack Richards and Garner.

A packed and often emotional meeting at Shepton Mallet sealed the fates of the West Indies captain and fast bowler and supported the club committee's decision, first announced in August, to replace them with New Zealand Test all-rounder Martin Crowe next season.

A rebel motion demanding a vote of no confidence in the 39-strong committee and the reinstatement of Richards and Garner was defeated by 1,828 votes to 798.

Richards, 34, from the Caribbean Island of Antigua, joined Somerset in 1974. Garner arrived three years later. Botham has played for Somerset for 14 years. "It is the saddest day of my life," said Botham who now plans to play in Queensland.

"I was very emotional when I spoke to my parents and wife this morning."

"It is the end of an era - I wish Somerset all the best but I cannot be part of it...Without Viv and Joel out on the lovely ground at Somerset it would be sheer torture."

Botham said that if the meeting of Somerset members had been held a month ago "while we were all still there, things could have been different."

"But I'm here (playing for England against Western Australia) and Viv Richards is in Pakistan playing for the West Indies."

"So the dice came down in favour of the committee's decision."

Botham denied that he and Richards were planning to offer themselves as a package to another county.

"We are not bound up together but Viv Richards is the finest I've ever played with over the years," he added.

Botham said he would continue to play county cricket although he would not approach another club until January 1.

Told that Somerset captain Peter Roebuck was flying to Australia in an attempt to change Botham's mind, the England all-rounder replied: "He should stay in London. He would be safer."

"Somerset's loss is someone else's gain. Life goes on and playing for Queensland looks rosier all the time."

Botham said he had no axe to grind about Somerset engaging Crowe. "I wish him all the best," he said.

## Vengeful Windies wallop Pakistan

LAHORE (AFP). - The West Indian fast bowlers once again made the difference in a Test in which the Caribbean side beat Pakistan by an innings and 10 runs half an hour before close of play on the third day of the second Test here yesterday to level the series.

After making 218, in reply to Pakistan's first innings total of 131, the tourists bowled out Pakistan for 77. Courtney Walsh took four for 21 and Tony Gray 3 for 20. Malcolm Marshall, who had taken 5 for 33 in the first innings, bowled eight overs and clean bowled opener Rizwan-Zaman for 1 with the score 3. Without any addition to the score, Gray got Mohsin lbw.

Javed Miandad, who top-scored in the first innings with 46, again had the highest total of the home batsmen, making 19 before Gray bowled him.

The tourists had suffered an embarrassing 186 run defeat in the first Test at Faisalabad two weeks ago, when they were dismissed for 53 in their second innings, their lowest score in 247 tests. That was only the second time the West Indies had been beaten in their last 38 Tests. They came into this match obviously determined to avenge that defeat.

The third Test is on Nov. 20-25. In Perth, Australian left-arm paceman Bruce Reid threw shock

waves into the England camp with a burst of wicket-taking on the third day of the tourists' cricket match against Western Australia.

Reid took four wickets for five runs off 27 balls at one stage. He dismissed Wilf Slack for 15. David Gower and Allan Lamb for ducks and Jack Richards for three.

England resumed at 19 for one wicket overnight after a rain-hit second day and reached 152. Ian Botham, who was in fine and aggressive form, came to the wicket when England was 69 for six and scored a rapid 48. Chris Broad contributed 33 and de Freitas 20. Reid and Matthews both took 4 for 20. Western Australia made 111 for 2

by close play. (Moody 45, Marsh 39 not out.)

Scores: Western Australia 275 (G. Marsh 124, C. Matthews 56). And 111 for 2. England 152.

Micky Stewart, England's assistant manager, was critical of his experienced top order after the capitulation to Reid and Matthews. "They have to apply discipline and select the ball to let go outside the off stump," he said.

The first test at the Gabba starts in just five days and England's most pressing problems remain their poor fielding and the need for a reliable opening pair. England dropped six catches in the first innings as Western Australia amassed 275, including a glaring miss by Botham in the slips.

## TENNIS

# Edberg takes Stockholm

STOCKHOLM (Reuter). - The steam ran out of Mats Wilander's return to top flight tennis when he was crushed 6-2, 6-1, 6-1, by fellow-Swede Stefan Edberg in the final of the Stockholm Open.

Edberg's deft and dazzling display of tennis in all its variations left Wilander, this week making his first appearance since a two-month break from the game, outclassed and looking almost paralysed in comparison.

The outcome was never in doubt as Wilander struggled from the start to get the length and strength of his serve right.

Edberg, his rocket serve one of his strong points, was never in danger of dropping it, and he took advantage of the uncertainty in Wilander's game to break twice in the first set.

Wilander's customary swift-footedness was missing totally, with only the occasional brilliantly-placed pass or drop shot reminding the packed arena of the tennis of which he is capable.

If Wilander, 22, was a shadow of his former self, the 20-year-old Edberg was twice the player he used to be, once again astounding critics by the rapid maturing of his game.

While retaining his strong serve and volley, he developed a wide repertoire of shots which left a bemused Wilander wondering from where the next attack would come.

Wilander admitted that he had not returned to his old form after a self-imposed two-month break from the circuit aimed at revitalising his mental attitude to tennis. He also clearly had other things on his mind. Swedish friends and colleagues took advantage of his homecoming to celebrate his marriage early next year to model Sonya Mulholland.

He hijacked him from the prize presentation immediately after the match and carried him off - appropriately on a stretcher - for a Swedish stag night celebration.

In Antwerp, Miloslav Mecir had no difficulty beating Jimmy Arias 6-2, 6-1. Arias' usually strong backcourt game abandoned him completely. Mecir plays McEnroe in the final.

In Worcester, Marathon Narrator beat Gabriela Sabatini 6-2, 6-2, and Pam Shriver beat Alycia Molten 6-2, 6-2, in the quarter-finals of the New England tournament. Boris Becker beat Holger Kretzschmar 6-4, 7-6 (7-2) and Hans Mandlknave overcame Lori McNeil 6-4, 6-2 in the other quarter-finals.

## Youth win consolation prize

By JACK LEON

TEL AVIV. - A dramatic 1-6, 6-3, 7-6 last-round doubles victory over Holland yesterday gave Israel's boys 16-and-under team the title in the eight-nation consolation tournament of the World Youth Tennis Cup final pool in Tokyo. With the outcome of the match depending on the doubles - after the Israelis and Dutch had split the singles - Raviv Weidenfeld and Boaz Merenstein clinched the issue with a razor-edge victory.

Israel's No. 2 junior Merenstein was the team's hero against Holland, having earlier defeated Zimmermann 6-3, 6-4 in the singles. Altink levelled the score by beating junior champion Weidenfeld 7-6, 6-4. All told Weidenfeld and Merenstein were

involved in no less than eight tie-breaks in their four rubbers, of which they won half.

Israel, beaten 2-0 by South Korea in the opening round of the main draw, thus finished ninth among the cup's 16 participants. They had previously triumphed over Argentina and Canada in the consolation event. The Israelis were qualifiers for the final pool from the Asian Zone - one of six regional competitions, which together drew an entry of some 45 countries.

The Israel Tennis Centre is still hoping that the semi-finals and the finals of the men's and women's satellite tournaments will take place today at the Katamon courts in Jerusalem starting at 10 a.m., if the weather permits.

## NHL

PHILADELPHIA (AP). - Larry Mlynik scored the game-winning goal midway through the third period Saturday as the New York Rangers defeated the Philadelphia Flyers in an NHL Patrick Division contest.

In Uniondale, New York, Patrick Flatley scored with just 49 seconds remaining in overtime after goalie Kelly Hrudey kept New York in the

game with 37 saves, and the Islanders beat the Detroit Red Wings 2-1.

Steve Kasper scored twice and Tom McCarthy had a goal and two assists as the struggling Boston Bruins defeated the Quebec Nordiques 5-1 in Quebec.

Alan Haworth scored two goals, one on a rarely successful Washington power play, as the capitals defeated the Chicago Blackhawks 3-2 at home.

In Toronto, second-period goals by Tony Tanti, Doug Lidster and Rich Suter erased a two-goal deficit and lifted the Vancouver Canucks to a 5-3 victory over the Toronto Maple Leafs.

## NBA Dominique is back

ATLANTA (AP). - Dominique Wilkins, returning after a one-game absence because of a sprained ankle, scored 26 points as the Atlanta Hawks stayed unbeaten with a 110-91 victory over the Washington Bullets Saturday night.

The Hawks, 5-0, the only team in the National Basketball Association without a loss, took the lead for good with 4:59 left in the third period when a Cliff Levingston jumper gave them a 66-64 edge.

Terry Catledge had 18 points for the Bullets. Moses Malone added 17 and Frank Johnson 13.

Randy Wittman had 21 points for Atlanta, while Levingston finished with 17 points and 16 rebounds.

In Indianapolis, Wayman Tisdale came off the bench to score 14 of his game-high 28 points in the second quarter, sparking the Indiana Pacers to a 130-97 victory over San Antonio.

San Antonio pulled to within one point early in the second quarter, but Indiana responded with six consecutive points and a 13-4 streak that included eight points by Tisdale.

Michael Thompson led San Antonio with 22 points.

## COLLEGE FOOTBALL

No. 1 Miami (9-0-0) beat Pittsburgh 37-10; No. 2 Penn State (9-0-0) beat Maryland 17-10; No. 3 Michigan (9-0-0) beat Purdue 31-7; No. 4 Oklahoma (8-1-0) beat Missouri 77-0; No. 5 Arizona State (8-0-1) beat California 49-0; No. 6 Alabama (8-2-0) lost to No. 18 Louisiana State 14-10; No. 7 Nebraska (8-1-0) beat Iowa State 25-14; No. 8 Texas A and M (7-1-0) beat No. 9 Auburn (8-1-0) beat Cincinnati 52-7; No. 10 Arkansas (7-2-0) lost to Baylor 29-14.

No. 11 Ohio State (8-2-0) beat Northwestern 30-9; No. 12 UCLA (6-3-0) lost to Stanford 20-23; No. 13 Washington (7-2-0) beat Oregon State 28-12; No. 14 Southern California (6-2-0) was idle; No. 15 North Carolina State (6-2-0) lost to Virginia 28-16; No. 16 Iowa (6-3-0) lost to Illinois 28-16; No. 17 Arizona (7-2-0) beat Washington State 31-6; No. 18 Louisiana State (6-2-0) beat No. 6 Alabama 14-10; No. 19 Georgia (6-3-0) lost to Florida 31-19; No. 20 Clemson (7-2-0) beat North Carolina 38-10.

## Eggs-tra! Eggs-tra! Read all about it.

Every morning at the Laromme Jerusalem.

The Laromme Jerusalem Hotel distributes complimentary copies of The Jerusalem Post to guests every day.



**CARMEN** - Opera in four acts by Georges Bizet (first staged). The Jerusalem Symphony Orchestra, Roger Norrington conducting. Director: Kay Lawrence; The Chamber Choir of the Jerusalem Rubin Academy of Music (directed by Abraham Harlap); The Jerusalem Boys Choir of the Ben-Zion Conservatory (directed by Jonathan Lerner). (Jerusalem, Bnei Zion, November 5).

This performance of Carmen was a long, wearisome and slow-paced affair, the spoken dialogues in particular contributing to one's impatience.

The stage arrangement seemed wrong, allowing the actor-singers only a narrow space to maneuver. Not only was there no theatrical illusion, but most proceedings seemed ridiculously artificial.

However, the main reason for the feeling of creeping slowness was the lack of drama. Bizet's masterpiece is imbued with dramatic tension from the beginning but in this production, it made itself felt only in the last scene - in the great duet between Don Jose and Carmen at the end of which the rejected lover stabs and kills his mistress. For all these shortcomings, director Kay Lawrence must take the blame.

The singers were of uneven quali-

## Carmen kaput

**MUSIC REVIEW**

ty. Cynthia Buchan, as Carmen, was undeniably the dominant figure on stage - her acting and singing being impeccable. She was almost the only one who gave an animated performance. Ramon Remedios, as Don Jose, failed to assert himself until the very last scene when he finally instilled his beautiful tenor voice with passion.

The poor singing and acting of Charles Naylor, as Escamillo the toreador, were in direct contradiction to the haughtiness and self-confidence he was supposed to evoke.

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## New Bank of Israel rules take effect

## Tomorrow is D-Day for Israel's brokerage industry

By PINHAS LANDAU  
Post Finance Reporter

The commercial banks yesterday raced to complete their internal arrangements ahead of tomorrow's deadline for new regulations governing investment services, especially share-counseling and portfolio management.

The date, set by the Bank of Israel several months ago, has become the focal point of hectic organizational, computer, training and management activity in recent weeks. Each bank has now announced the arrangements it will formally implement tomorrow. Bank Hapoalim held a press conference to outline its new program and demonstrate its computer database.

The three main banks, Hapoalim, Leumi and Discount, are each designing specific branches, based on population, business and geographical spread, to concentrate their securities services. Hapoalim and Leumi will have 80 such branches, while Discount 30. These branches will service customers from others in the locality as well. Bank Mizrahi will, at this stage, offer share counseling from its main securities branch in Tel Aviv, but will consider expanding this service to other branches at a later date.

The two most profitable commercial banks in the country, Barclays Discount - a subsidiary of Israel Discount and the London-based Barclays Bank International - and First International Bank, chose an opposite route to the major banks, by withdrawing from share counseling altogether, at least for the near term.

All the banks will continue to offer share-trading facilities through all their branches, as well as counseling and execution of orders in investment areas such as unlinked shekel deposits (tapas, pakam and param), savings schemes, provident funds, mutual funds including those investing solely or mainly in shares, and government bonds. The limitations imposed by the Bank of Israel's new rules deal with the banks' role in providing information pertaining to share trading, counseling on share investments and in investment vehicles defined by the central bank as carrying high risk. These are forward transactions or trading in futures, gold and gold futures, securities whose prospectus carried a special warning on risk attached to the company or its activities, securities with a narrow spread of holdings or low liquidity on the Tel Aviv Stock Ex-

The date has become the focal point of hectic organizational, computer, training and management activity in recent weeks.

change and share transactions whose size is such that, given the liquidity and spread of the security in question, the order could by itself cause a sharp price movement.

Originally, the banks had hoped that the comprehensive data base being prepared by the exchange would be ready in time for the November 11 deadline or, failing that, that the deadline would itself be postponed. However, the exchange's data base will not be ready until January 1987, at the earliest, and the Bank of Israel was not prepared to countenance any delay, forcing the banks to prepare their own computerized data bases to allow every branch access to the range of facts and figures that the central bank has decreed mandatory for banks to provide from tomorrow, if they wish to be allowed to offer securities services to their customers.

With the development of bond issues by private borrowers this year, the information requirements came to encompass not just the share market but also the expanding non-government bond market.

Preparing these computer systems, which must work on-line to every branch in a bank's network, involved large outlays on the part of the banks. The computerized information is backed up by a stream of reports and analyses prepared at head office and distributed to the branches. In addition, the banks were obliged to meet criteria regarding the qualifications of personnel employed as investment advisers, as dictated by the Bank of Israel. This entailed holding intensive training courses for periods of two to three

months on a full-time basis for future investment counsellors. Hapoalim Chairman Eitan Berglass, at yesterday's press conference, described the cost of preparing for tomorrow's changeover as "massive."

The Bank of Israel's jurisdiction is limited to commercial banking offices only, so that regulations covering counselling by non-bank institutions, such as private brokerage firms, are unchanged. The central bank's circular on share-counseling reform, published last June, is based on recommendations made by the Gabbai Committee, which reported last year, and the Bejski Commission, whose report was published last April. Formal legislation governing investment counsellors is still being drafted in the Treasury and Justice Ministry. In the meantime the Bank of Israel decided to impose its own rules on the banking system.

A key feature of the new system is the demand that investment counsellors, even if employed by the banks, be independent in forming their own judgments. That means the banks cannot require them to recommend specific securities, or to give them bonuses for doing so.

This reflects the situation revealed by the Bejski Commission report in the years prior to the October 1983 bank shares collapse regulated their own shares. Their investment counsellors were ordered to push the shares of the bank they worked for, and received incentives for meeting or exceeding the quotas assigned them.

In the branches providing high level investment counselling, the management structure will vary from bank to bank. Hapoalim intends to keep investment counselling fully integrated with regular branch operations, while Discount has separated the two. Indeed, the investment staff will be completely independent of the branch manager. Discount also intends to set up a separate unit to manage investment portfolios for interested customers.

Leumi has left its investment counselling as part of the branch at this stage, but it eventually intends to spin off all counselling in shares and other high-risk investments, as well as portfolio management, into its wholly-owned brokerage subsidiary, Securities and Investments Ltd. The branches will then deal with the more straight-forward areas of bonds, mutual funds and customer deposits.

WORLD BUSINESS  
IN BRIEFManila  
debt talks  
collapse

MANILA (Reuters). - Debt talks between the Philippine government and its commercial bank advisory committee broke down over the weekend, but both sides agreed the failure did not pose a major setback and would have no immediate impact on the economy.

In New York, Finance Minister Jaime Ongpin said the negotiations aimed at finding a way to reschedule \$3.6 billion of the country's \$26b. debt failed because one bank prevented the 12-member advisory panel from reaching a consensus on how to proceed.

"The kink cropped up from their [the bank's] side, and we will have to wait until they can thrash things out and agree among themselves what to do next," said Industry Minister Jose Concepcion.

Ongpin refused to name the bank blocking a deal, but sources in New York identified it as Citibank.

THE U.S. UNEMPLOYMENT RATE remained unchanged in October from September at 7 per cent, the Labour Department said.

The number of non-farm payroll jobs rose by 298,000 last month to 100.75 million after rising a revised 165,000 in September. Previously, the department said non-farm payrolls rose 107,000 in September.

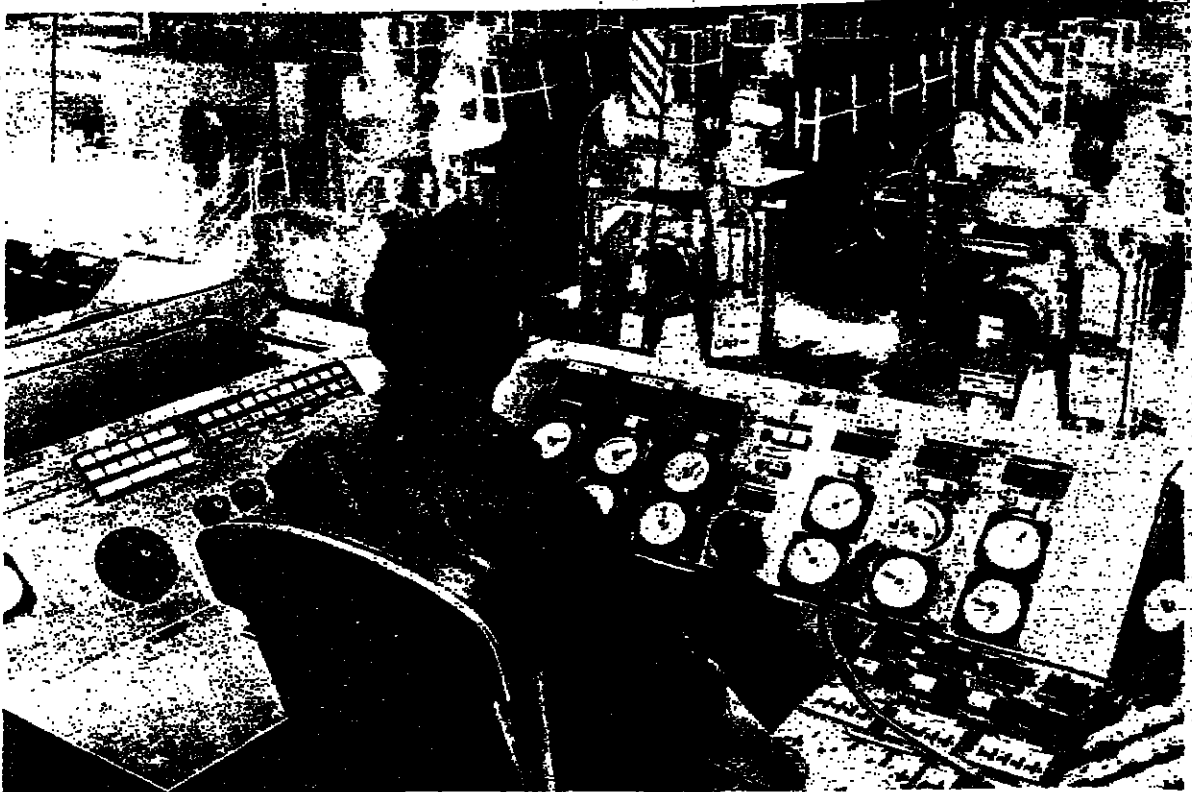
The unemployment rate, which has fluctuated within a narrow range all year, last month was down only slightly from 7.1 per cent in October 1985.

E.F. HUTTON, one of America's major stockbrokers, said previously undisclosed talks with rival brokerage Shearson Lehman Brothers about a takeover had ended over the weekend without Shearson making a formal offer.

For the last month, there have been reports that Shearson was interested in acquiring Hutton, a merger that would create the nation's second-largest brokerage network after Merrill Lynch. But before Saturday night, Hutton never admitted it was holding talks with Shearson.

CHINA IS UNHAPPY at a forecasted \$4 billion trade gap with Japan, and Chinese Premier Zhao Ziyang today called on Tokyo to buy, lend and invest more in China, informed Japanese sources said.

Zhao told Japanese Prime Minister Yasuhiro Nakasone, who left for home yesterday afternoon after a 25-hour visit, that the trade deficit was the most serious problem in Sino-Japanese relations.



A steel plant near Port Kembla: Australia needs to create manufacturing and servicing industries to reduce its reliance on raw materials exports

## Australians face some lean years

SYDNEY (Reuters). - Australians are being told they will have to make sacrifices to help beat economic problems which in two years have doubled the foreign debt and thrust "the lucky country" to the top of Asia-Pacific debtor rankings.

Low prices for its metals, grain and sugar exports and a depreciating currency have created difficulties which have forced Labour Party Prime Minister Bob Hawke to prime the public, long used to the good life, for leaner times.

Gross foreign debt soared to \$57.63 billion as of June 30, equal to about 40 per cent of gross domestic product, from \$8.9b., or around 12 per cent of GDP in mid-1980.

Analysts say the Australian dollar has lost about 40 per cent of its value against a basket of world currencies over the past 18 months, and poor commodity prices have affected terms of trade.

Commodities account for 80 per cent of exports. Thus, analysts say, Australia should speed up creating manufacturing and service industries to dilute such heavy dependence on raw materials.

But while total debt is expected to top \$64b. a year from now, analysts are not entirely pessimistic. The government's response has been just what the International Monetary Fund would have ordered, says Midland International economist Helen Camp.

"We're lucky...there are a lot of countries in the world worse off than we are, and money still comes here," said Brian Hamley of National Au-

stralia Bank.

In a concerted campaign, Hawke and Treasurer Paul Keating have been trying to wake up voters to the fact they will have to bear a lower standard of living while the country works out its external difficulties.

The government has tightened monetary policy to dampen growth and slow imports, and maintained high interest rates to attract capital to finance the current account shortfall.

Senior trade union leaders have accepted they will have to lower their sights on pay and that the lackadaisical habits of the Australian worker will have to change so manufacturing can compete in a more competitive world.

Official figures show Australia's indebtedness would take its debt service ratio to about 42 per cent of exports in the latest fiscal year.

Economist Ray Block of the investment bank Dominguez Barry Samuel Montagu says this would put Australia ahead of the Philippines at 38.4 per cent and well ahead of any other country in the region. But it would be out of the ranks of major league debtors like Mexico (77.8 per cent), Brazil (74 per cent) or Argentina (59.3 per cent), Block says.

And a key difference between Australia and the more problematic debtor nations is that most Australian debt is made up of private, not government, borrowings. The federal government's gross overseas debt as of June 30 was \$12.16b. Taking official reserves into account, that means only \$3.82b. net.

But gross private sector debt stood at \$33.78b. on June 30, against \$25.85b. a year earlier and only \$4.33b. in 1980.

However, semi-official borrowing by authorities such as state government power utilities has grown sharply, to \$11.69b. as of June 30 from \$9.83b. a year earlier and \$920 million in 1980.

That growth followed a spurge on power stations and other infrastructure projects in the early 1980s for a heralded resources boom that never happened, according to Bank of New Zealand economist John Stroud.

Deterioration in terms of trade has led to a current-account deficit that rose by \$1.92b. to \$8.77b. in fiscal 1985/86 and is forecast by some economists to reach \$9.6b. in 1986/87.

The government's economic and planning council says Australia's balance of trade on goods and services needs to shift from a deficit of about 3 per cent of GDP to a small surplus if foreign debt is to stabilize at its present level.

Economists agree the government must keep a tight grip on the reins in order to turn around the trade account. "What they've got to do is hang on like grim death at the moment," said Brian Hamley of National Australia Bank.

But life is still comfortable for most Australians. And it remains to be seen whether they really believe that giving up their relaxed ways and regular pay rises will pay off in the long run.

## Putting Alfa back on course

MILAN (Reuters). - Italian auto giant Fiat has won a battle with Ford Motor Co. to buy car maker Alfa Romeo, but industry analysts say it will have to struggle to steer the ailing acquisition back to recovery.

They believe Alfa will fuel Fiat's ambition to increase its share of the high-performance car market and to stay among the leaders in the fiercely competitive European car industry.

Alfa's 1.5 per cent share of the market could enable Fiat, neck-and-neck with Volkswagen of West Germany, to take the lead. Both hold 12.7 per cent of the market, according to industry figures covering the first nine months of the year.

But analysts point out that turning round state-owned Alfa will be tough. Alfa has suffered more than a decade of losses, and Fiat estimates it may not break even before 1990.

The analysts say that Alfa's model range needs revamping. Its 33,000

Analysts say Alfa's model range needs revamping, its work-force is bloated and it has excess production capacity.

strong workforce is bloated, and it has excess production capacity. "Some of their engines were designed in the 1930s," said one Fiat executive recently.

"Another risk is that the European car market could slide into a recession. I'm not sure if the current positive trend will continue," says Ernesto Marelli, a Milan financial analyst.

Moreover, some analysts say the Alfa acquisition could weigh heavily on Fiat's future earnings. "We may

have to revise the profit projections after Fiat releases all of the financial details about the [Alfa] acquisition," said one Milan analyst.

Fiat plans to merge Alfa with its Lancia luxury-car division and invest about \$3.75 billion in the combined company.

The new venture would produce about 600,000 cars a year by 1991, Fiat says, and compete against Europe's leading maker of quality cars, West Germany's Daimler-Benz.

By 1990, Fiat wants the Alfa-Lancia unit to expand aggressively into the U.S. market, now a weak spot for Fiat, and export about 60,000 cars there annually.

Fiat, Italy's largest private concern, has not disclosed how much it will pay for Alfa. But sources close to the company say the amount is about \$750 million in annual instalments beginning in 1993.

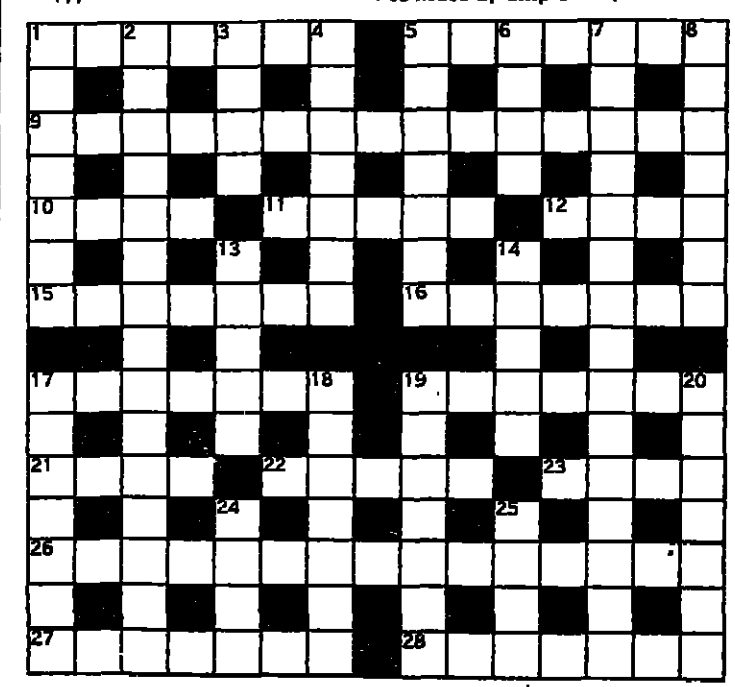
ONE-ON-ONE  
CROSSWORD

ACROSS

- 1 When boxing it a sailor must win on points (7)
- 5 Exposed a symptom of measles (7)
- 9 Ailing banker espoused to our Motherland? (3,6,6)
- 10 Source of nuclear energy on the mat (4)
- 11 Tiny but important south London street (5)
- 12 Before returning tourists to Sicily should see it (4)
- 13 Nothing in the duty list for him to crow about (7)
- 16 License changes in the Cistercian monastery (7)
- 17 Colonist who pays his debts (7)
- 19 Split straws, but was only bantering (7)
- 21 Returning in a daze you hear the local news announced (4)
- 22 Try your hand at it (5)
- 23 A pavy note is struck by his Rule Britannia (4)
- 26 Assuring tense but rewarding career ahead (9,6)
- 27 Diana and theologian showed the way to be cheated (7)
- 28 Advice to top man wanting a trash scene in a divine setting (7)

DOWN

- 1 Helicopter feller (7)
- 2 Pedestrian policy not recommended for the pedestrian (6,2,3,4)
- 3 A mother and father to everyone (4)
- 4 One who fabricates cheers about 1000 (7)
- 5 What a VDU monitor does as well as ancient documents (7)
- 6 Floot wildly. That's what Rome did to him (4)
- 7 An enticement to burglars taking risks (8,7)
- 8 Complaint from seaside resort (7)
- 13 A ring - around a coral island (5)
- 14 British saint displaying two articles about a pound (5)
- 17 Betrayed a desire to buy something (7)
- 18 Caneel order for cinders (7)
- 19 Swapped elevenpence for a shilling? (7)
- 20 What the emotional snooker player goes in off when he goes in off (4,3)
- 24 Account to the beak (4)
- 25 Muss up ship's cat (4)



## GENERAL ASSISTANCE

## EMERGENCY PHARMACIES

Jerusalem: Bells, 6 King David, 224856; Belsam, Salah Eddin, 272315; Shufat, Shufat Road, 810108; Dar Aldawa, Herod's Gate, 228058.  
Tel Aviv: Rimona, 16 Ziman, Nahlat Yitzhak, 267678; Kupat Holim Maccabi, 2 Balfour, 228058.  
Netanya: Kupat Holim Clalit, 31 Brodetsky, 91123.  
Haifa: Yavne, 7 Ibn Sina, 672288.  
Ra'anana-Kfar Sava: Kupat Holim Meuhedet, Yehoshua Ben Gamliel, Hod Hasharon.  
Netanya: Laniado

## DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Karem (internal, surgery, orthopedics, E.N.T.), Shalom Zedek (ophthalmology), Misgav Ladach (obstetrics).  
Tel Aviv: Rokeh (pediatrics), Ichilov (internal, surgery).  
Netanya: Laniado

## POLICE 100

Dial 100 in most parts of the country. In Tel Aviv dial 524444, Kiryat Shmona 4444.

## FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

## FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem \*523133  
Ashkelon 23333 Kiron 344442  
Bat Yam \*561111 Kiryat Shmona \*44334  
Beer Sheva 74767 Netanya \*23333  
Carmiel \*988888 Netanya \*23333  
Dor Region \*781111 Petah Tikva \*923111  
Eilat 7233 Rehovot \*451333  
Haifa \*512233 Rishon LeZion 942333  
Hadera 22333 Safed 20233  
Holon 803133 Tel Aviv \*240111  
Holon 803133 Tiberias \*90111  
\* Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Erez" - Emotional First Aid, Tel: Jerusalem 227121, Tel Aviv 281111/2, Haifa 672222, Beer Sheva 418111, Netanya 35316.  
Rama Crises Center (24 hours), for help call Tel Aviv, 234815; Jerusalem - 245554, and Haifa 88781.  
Jerusalem Institute for Drug Problems, Tel. 683028, 683029, 14 Telshim Rd.  
The National Poison Control Centre at Rambam Hospital, phone (04)523205, for emergency calls, 24 hours a day, for information in case of poisoning.  
Kupat Holim Information Centre Tel. 03-423300, 433500 Sunday-Thursday, 8 a.m. to 6 p.m. Friday 8 a.m. to 3 p.m.

## FLIGHTS

24-Hours Flight Information Service: Call 03-8712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)

Beth Hatefutsoth  
Museum of the Jewish Diaspora

**CORRECTION**  
The study evening (Hebrew) to take place at 7 p.m. tomorrow, Tuesday, will be devoted to The Jewish Soldier in the First World War and not as stated in our notice in last Friday's Magazine.

## YOUNG ISRAEL

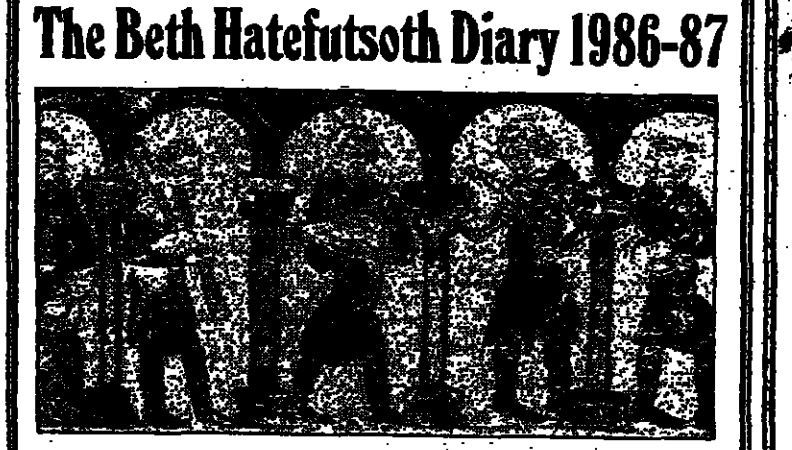
Tora Education Winter Series commences Tuesday, November 11, 1986 at 10 a.m.

## Yesterday's Solution

LIBERAL PARTY  
EXAMINE GARBAGE  
C O F B E V T  
B E E K D E U S E S O U T  
I R P T E E  
N O O L I E S K N E A D E R  
H A R S  
H O S T I L E G O M E S U P  
O P N L E S C A  
U N A P E A N F R E T  
G N A C B A R E  
H A R I A N H A U N T O N  
T A N O I S C T  
B U T T E R F L Y

**QUICK SOLUTION**  
ACROSS: 1 Another, 5 Weigh, 8 Dunes, 9 Mustard, 10 Subject, 11 Fatal, 12 Design, 14 Placid, 17 Nadir, 19 Theorem, 22 Mundane, 23 Sheep, 24 Creed, 25 Tempted.  
DOWN: 1 Andes, 2 Omnibus, 3 Haste, 4 Remote, 5 Wishful, 6 Inapt, 7 Huddled, 12 Dynamic, 13 Garland, 15 Correct, 16 Attest, 18 Dante, 20 Psalm, 21 Moped.

## The Beth Hatefutsoth Diary 1986-87



A superbly designed, prestigious desk diary, perfect as a gift for Rosh Hashana - or for yourself! The 16-month diary (Sept. 1986-Dec. 1987) displays each week on a separate page, facing beautifully reproduced illustrations. The colour and black-and-white illustrations were selected from the famous Diaspora Museum's exhibitions and archives. Spiral spine, softcover, published by Rohnik.

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## MARKET PLACE

PINHAS LANDAU

## 'Small bang'

The Bank of Israel has set for tomorrow, what can only be called the "small bang" of the Israeli securities market. The banks - the only sector of the securities market under the aegis of the central bank - will have to meet certain criteria in the level of information and the quality of its interpretation - known as counseling - that they provide their customers.

All the banks have made a series of amazing discoveries following the central bank circular that broke the news to them. First they realized that the level of information and counseling given by them has been spotty, indifferent and sometimes just plain non-existent. Then they discovered that providing proper information and employing serious people capable of turning the raw data into intelligent advice meant that they had to spend a lot of money. Worst of all, perhaps, they were told that the investment counselors would have to be independent of the rest of the branches in which they work, both in thought and deed.

Their initial hopes, that someone else would do the work for them in preparing a national database which they could all feed off, were dashed by the bloody-mindedness of the Bank of Israel, which picked the date of November 11 and then wouldn't change it to accommodate anybody else; and the difficulties of the Tel Aviv Stock Exchange in preparing the said data-bank in time. But these were overcome by that time-honored tradition of banks everywhere, and Israeli banks in particular - the money taps were opened and the computer programs and training courses were moved into top gear until the desired results had been achieved. Now everybody is ready. The only trouble is that nobody knows, in anything other than the purely technical sense of meeting the requirements that the examiner of banks laid down, what they are ready for.

A great deal could be written about every aspect of the "small bang," and future columns may yet attack some of the nonsense involved. But just in passing, and to give an idea of the benefits of regulation *à la* Bank of Israel, we note that the appendix to the circular in question, number 1256/86, headed Banking Rules (Customer Services) (Investment Counseling), 5746-1986, section 2, paragraph B, sub-section 2, item (vi) - being the last on a list of data requirements to be provided in the field of security investments - demands that the customer be given the record of the company's paying cash and stock dividends, and their percentage of per value, in the three preceding years. Anyone acquainted with the exchange will appreciate the inestimable value of this vital data, without which no share investment could be contemplated.

However, let that aside, for the moment. We return to the existential question of what the small bang is really about. The answer is probably that it represents the first stage of the real shake-out of the Israeli securities markets and the end of the banks' domination of them. This is not the object of the small bang, which is conceived of as bringing order to the chaos that has always reigned in the field of investment counseling. But it may well be its likely effect.

Thus we have the gratifying sight of the banking industry split down the middle. On the one hand there is the old guard, the "big three" banks, apparently determined to do whatever is necessary to maintain the old order, that is their domination of the securities markets. Gabbai and Bejedi are damned, in their motto. Conflicts of interest gnaw at them. They will keep their share counseling and portfolio management in the branches, and underwriting, analysis and bank lending at head office.

This attitude is strongest at Hapoalim, which has not changed the old system at all, except to reduce the number of its branches offering full services. At Leumi and Discount there are big leaves of promise change, even extending to full spin-off of counseling, and real changes in internal fund management. Seeing, however, will be believing.

Mizrahi, probably through belated recognition of its poverty, has not held up with the others, but seems to be saying that it would like to. Only First International and Barclays Discount - now by far the most profitable bank in the system - which insist on rational decision-making and not empire-building or maintaining, and which can allow themselves the luxury of opting out without appearing to lose face, have said that the game is not worth the candle and have withdrawn from share brokerage completely. Just conceivably they have all drawn lights, but that too remains to be seen.

**Soviet harvest claim**  
WASHINGTON (AP). - The U.S. Agriculture Department is scrambling to find evidence to support Moscow's assertion, made Thursday, that it would be harvesting a bumper 210 million metric tons of grain this year.

"We're waiting for further information," said Kathryn Ziemer, one of the Department's Soviet watchers.

## Imports rise offsets gain in exports

## Trade gap widens sharply

By AVI TEMKIN  
Post Economic Reporter

The gap between merchandise imports and exports rose almost 20 percent in the first 10 months of the year, the Central Bureau of Statistics reported yesterday. The trade deficit for January-October totaled \$2 billion, 19.9 per cent more than in the same period last year.

The bureau said that after adjusting for seasonal factors and excluding diamonds the average monthly level of the trade deficit for the last four months was 29 per cent higher than the monthly average for the second quarter of the year.

The figures released yesterday showed that the trade gap widened despite a 14.2 per cent rise in exports, which was not enough to

offset a 15.7 per cent increase in merchandise imports. Exports of goods have totalled \$5.5b. since the beginning of the year, compared with \$4.8b. in the same period in 1985.

Imports rose from \$6.5b. in January-October 1985 to \$7.5b. in the same period this year.

Industrial exports, excluding diamonds, totalled some \$3.6b. since the beginning of the year, a rise of 7 per cent from the same period in 1985. The bureau said that September-October had seen a 5.5 per cent reduction in the level of these exports compared with the preceding two months. Nevertheless, the figures for the monthly average exports for the last four months showed a 9 per cent increase

over the second quarter of the year. The figures also indicated that a recovery may be taking place in the exports of machinery and electronic goods, which were hit by a crisis in the first half of the year. July-October exports in this category were 10 per cent above their average in the previous three months. Exports of textiles continued to increase, 15 per cent in the last four months, while those of food products rose 13 per cent.

Diamond exports totalled \$1.4b. since the beginning of the year, an increase of 35 per cent from the same period last year. Agricultural exports came to \$500m., 18 per cent more than for January-October 1985.

## Gov't acts on cigarette imports

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

TEL AVIV. - The Industry and Trade Ministry has begun processing permits to import large quantities of cigarettes, which will be sold at competitive prices, unless Dubek Ltd. the country's privately operated tobacco monopoly, resumes cigarette production by tomorrow, the Ministry's acting director-general, Yoram Belisovski, said yesterday.

Representatives of Dubek's management, the ministry and the customs authorities are due to meet today in an effort to reach an agreement and renew the cigarette production.

The Jerusalem Post learned that inquiries and requests for permits have been received at the ministry from a number of importers interested in importing cigarettes, but none of those requests had been approved as of yesterday.

Dubek shut its gates and production came to a halt last week when the company ran out of raw tobacco. New supplies are being held up by the customs authorities, who refuse to release them unless Dubek changes its pricing system for the different types of tobacco it imports.

The customs authorities' action came as a result of the investigation into Dubek's management, particularly the activities of its general manager, Zorah Gehl, who is now in police custody on suspicion of smuggling some \$15 million in currency abroad and evading income taxes. Investigators believe Dubek's pricing system was an integral part of the smuggling operation, and have demanded that it be changed.

Gehl's removal was extended another 10 days yesterday by the Tel Aviv Magistrate's Court. A request by Gehl's attorney, Amnon Goldenberg, to have his client moved to a private hospital in Tel Aviv's Plaza Hotel was turned down by the court.

Gehl is currently in the hospital wing at Ayalon prison. His lawyers contend that he is suffering from heart problems. A cigarette shortage, which began last week has become acute, with supplies of Time and other popular brands depleted. Belisovski said yesterday his ministry was responsible for the regular supply of cigarettes and if Dubek continued its "sanctions" the ministry would not hesitate to permit other businesses to import cigarettes.

The ministry has also devised a way of getting the Health Ministry's mandatory warning, which normally takes at least two weeks to print, on the packages: stickers with the health warning printed on them would be attached to the imported cigarette boxes.

**Shamir, Kessar meet**  
Prime Minister Shamir met with Foreign Secretary General Yisrael Kessar yesterday for what was described by Shamir's aides as a get-acquainted session.

The aides said the two got along well and that it was clear that the pair would cooperate in the future to strengthen economic stability and renew growth. No specific issues were raised during the meeting, the aides said.



Film star Kelly McGillis at Ben-Gurion Airport on Friday. McGillis, who has appeared in the movies "Witness" and "Top Gun" is in Israel to film "The Dreamers," directed by Uri Barish, director of the feature "Beyond the Wall."

Shooting for "The Dreamers," the story of a group of Jewish revolutionaries seeking to set up a utopia in Turkish Palestine, begins in January - Michael Yudelman. (Malovant Yisrael)



Dubek Managing Director Zorah Gehl (right) in Tel Aviv Magistrate's Court with one of his attorneys, Yoav Ben-Dror. Gehl's removal was extended another 10 days. (Shaul Rahamim)

Tel Aviv Stock Exchange  
MARKET STATISTICS

<b>Indices:</b>			
General Share Index	121.48	UC	
Non-Bank Index	158.88	+0.77%	
Arrangement	105.38	-0.44%	
Insurance	184.43	+2.10%	
Commerce Services	201.25	-0.14%	
Real Estate	201.72	+0.28%	
Industrial	144.21	+0.52%	
Textiles	176.10	+0.78%	
Metals	202.40	+0.45%	
Electronics	103.50	+0.01%	
Chemicals	138.19	+0.33%	
Industrial Invest.	138.75	+0.54%	
Investment Cos.	154.65	+0.76%	
General Bond Index	113.89	+0.18%	
Index-linked Bonds	112.44	+0.22%	
Partly-linked	117.57	+0.14%	
Partially-linked	114.14	+0.32%	
Dollar-linked Bonds	84.32	-0.04%	
Short-term 6-2 yrs	111.28	+0.15%	
Medium-term 2-5 yrs	112.73	+0.22%	
Long-term 5+ yrs	107.82	+0.14%	

<b>Turnovers:</b>			
Shares - total	NIS 13,545,200		
Arrangement	NIS 2,229,800		
Non-bank	NIS 11,315,800		
Bonds - total	NIS 3,608,900		
Index-linked	NIS 2,487,000		
Dollar-linked	NIS 622,000		
Treasury Bills	NIS 6,362,900		

<b>Share Movements:</b>			
Advances	176	(191)	
Declines	20	(3)	
of which 5% +	4	(37)	
of which 5% -	12	(7)	
"hold only"	448	748	
Unchanged	107	(120)	
Trading Halt	34	(34)	

<b>Bond Market Trends:</b>			
Index-linked:			
3% fully-linked	Stable/mixed	to 1%	

<b>Arrangement yields:</b>			
IDB ord.	16.44%		
Ord. 1	16.38%		
Discount A	16.25%		
Mizrahi r.	16.44%		
Hapoalim r.	16.54%		
General A	15.65%		
Leumi stock	16.32%		
Fin. Trade 1	16.01%		

<b>Trade &amp; Services</b>			
Meir Ezra	7576	b.o.1	+5.0
Supacool 2	7108	1888	-
Delek r.	3175	4088	-
Lightstar	15000	44	-4.7
Cold Storage	2101	388	-5.2
Den Hotels	1745	463	-7.2
Yarden Hotel	2817	106	-1.0
Hilton 1	26560	7	+4.4
Team 1	1707	797	-0.3

<b>Real Estate, Building and Agriculture</b>			
Azrieli	854	9306	-6.7
Elion	490	16250	+5.5
Africa Int. D.I.	37200	209	+1.4
Dankner	4770	352	-
Prop. & Bldg.	3051	4103	+2.8
Securite D.I.	4469	748	+3.8
ILDC r.	55600	431	+2.4
Rasco r.	no trading		
Mehadrin	8180	468	-2.8
Haderim	1444	5128	+2.5

<b>Financial Institutions</b>			
Agrie C.	no trading		
Ind. Dev. DO	111.28	+0.15%	
Cl. Leasing 0.1	17200	102	-0.8
<b>Insurance</b>			
Ararat 0.1	1280	1822	+2.0
Hebrew r.	817	7525	+3.4
Phoenix 0.1	8940	40	+1.0
Hemshahar	2135	36	-0.2
Mekorot 1	3970	390	-2.0
Shahar	8900	20	+1.2

<b>Industrial</b>			
Dubek b	3505	112	-
Pr-Ze 1	no trading		
Surfrost	9780	81	+1.0
Elite	16850	221	+2.2
Adgar	695	5701	-
Argaman	15740	208	-
Delta G 1	2824	1442	-
Megatone 1	4820	680	-0.0
Eglat 1	13700	114	+2.2
Polyjet	3470	400	-
Schoeller	14351	46	+0.8
Recofin	3150	148	+0.5
Urduan 0.1 r.	6500	236	-1.6
Is. Can. Co. 1	2453	897	-
Delta G 1	2625	1541	+2.9
Pedder Steel	10950	148	-0.1
Elbit	412000	38	-

<b>Oil Exploration</b>			
Par Oil Expl.	17000	144	+3.0
J.O.E.L.	5385	2208	+5.0

<b>Investment Companies</b>			
IDB Dev. r.	4886	1640	-
Elion	332	2535	-
Arif 1	231	1981	-0.4
Galelet	1317	-	+0.2
Israel Corp. 1	8870	758	+0.8
Wolfson 1 r.	191000	422	+3.8
Hapoalim Inv.	15000	67	+2.2
Leumi Invest.	no trading		
Discount Invest.	2740	787	-
Mizrahi Invest.	15000	67	+4.5
Cl. 10 A	842	6867	+2.2
Landeco 0.1	5001	130	+0.4
Pama 0.1	9170	76	-1.0

<b>Oil Exploration</b>			
Par Oil Expl.	17000	144	+3.0
J.O.E.L.	5385	2208	+5.0

<b>Abbreviations:</b>			
n.o. = not trading			
b.o. = buyers only			
b.s. = sellers only			
b. = both			

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## CURRENCY MARKETS

## Mixed signals make nervous week for dollar

The dollar fluctuated nervously last week, influenced by contrasting factors. It was little changed against the Swiss franc and the Deutschmark, but weaker against the pound sterling and the yen.

Friday's U.S. unemployment figure for October was unchanged from last month, although analysts said a closer examination of the numbers indicated continued weakness in the economy.

A report brought some selling of dollars in Tokyo although it was later denied. The report hinted that the Japanese finance minister stated that the joint U.S.-Japan agreement of two weeks ago called for an exchange rate of 154 to 160 yen to the dollar.

Sterling closed higher reaching 1.43 as a result of growing confidence that Opec would be able to restrain output and bolster world oil prices. A recent public opinion poll that gave the Conservative Party a lead in the upcoming general elections also supported the pound.

The Democrats' return to control of the U.S. senate did not have any substantial effect on the U.S. currency.

The wide trading range situation is likely to continue. The dollar is still supported by good economic statistics and by higher interest rates. Any near-term interest rate cuts in the U.S. and West Germany have been practically ruled out by the markets, in view of such encouraging signs in the U.S. economy.

Additional good figures for the U.S. economy came with the Commerce Department publication that factory orders rose in September by 3.4 per cent.

The column appears courtesy of Bank Barak Advisory Services.

## Cyprus eases foreign investment

NICOSIA (Reuters). - Cyprus will ease the way for foreign firms to invest on the island in a bid to attract high technology projects, in a programme approved by the Council of Ministers over the weekend.

The scheme includes streamlined investment procedures for new-product industries and for a free-trade industrial zone already operating at Larnaca.



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## Fiasco from start to finish

THEY WENT to Bucharest without having settled the intense bickering among themselves; they prattled aimlessly with the few PLO officials who condescended to grace the event, and they returned crestfallen and disappointed after their scheduled two-day meet was suddenly cut short by terrorist threats. It was an exercise not just in futility, but in fatuity.

Bravely, the 20-odd self-appointed Israeli leftwing "peace-niks" who had accepted the Romanian president's invitation to attend the parley, insisted upon their return that it had not been entirely in vain. The dialogue with the Palestinians would be continued on other occasions, they said, until such time as the government itself entered into peace talks with the PLO, which they all plainly viewed as the sole legitimate representative of the Palestinian people.

Among the extreme left, as among the extreme right, self-deception appears to know no limits when it comes to the Palestinian issue.

The travellers to Bucharest - disowned in advance by such parties as Mapam and the CRM - went there, in the first place, to defy the recently enacted law banning contacts with officials of terrorist organizations, meaning primarily the PLO. That the law is an insane and repressive piece of legislation by the Knesset may readily be granted. In bartering its acceptance for the Likud's endorsement of the toothless anti-racism law, the Alignment cut one of its most brainless political deals.

But the law is the law even when it is an ass. The only direct beneficiaries from its flouting by the left-wing champions of the rule of law could be the country's chief practitioners of organized illegality "for the sake of Heaven" on the West Bank.

It now turns out, however, that the Bucharest travellers did not even have the strength of their supposed conviction. Although they started out by protesting that the noble cause of peace takes precedence over obedience to a mindless "political" law, they ended up trying to make sure that they stayed right within it. On the advice of their legal counsel, they sought to pre-empt the expected police investigation which awaited their leaders, by keeping their distance from the small - much smaller than expected - PLO contingent during the conference chaired by the Romanians.

As the legal counsel later explained, there had been no actual "contact," and thus no violation of the law.

And what did the heroes of peace elicit from the PLO's "mainstream" that could persuade the government - any conceivable government - of Israel to have diplomatic truck with the terrorists? Only a demonstration that the Abu Nidal gang can easily terrorize the "mainstream" and will not stand for any talk of peace with Israel that does not spell Israel's outright and unequivocal destruction.

The argument in favour of talking to the PLO is, however, largely based on the reasoning that it, and it alone, could make any peace agreement stick, and not any West Bank "moderates" without a real popular following. Last week's parley showed that, threatened with murder by the extremists in their midst, the "sole, legitimate representatives of the Palestinian people" felt obliged to hastily wind up the "dialogue" with the most congenial Israeli groups they could ever find.

Perhaps that demonstration was worth the otherwise purposeless meeting, after all. But it will also promote - contrary to the organizers' intention - the pernicious, but widespread, notion that to be a peace-minded left-winger in this country is to be insufferably soft in the head.

## Habeas Vanunu

SO NOW IT IS official, at long last. Two weeks after Australian clergyman John McKnight told a press conference in Jerusalem that his friend Mordechai Vanunu, the ex-Dimona nuclear technician, had been remanded by an Israeli judge for 15 days a full week earlier, the cabinet issued an announcement conceding that Mr. Vanunu has indeed been duly remanded by an Israeli court.

The court's decision, the cabinet stated through its new secretary, Elyakim Rubinstein, had been taken as a result of proceedings in which Mr. Vanunu had been represented by an attorney of his choice. For reasons of *sub judice*, however, the official announcement said, no further facts would be divulged.

What on earth the rule of *sub judice* had to do with the divulgence of more facts in a case that apparently had not even come up for trial, was also not disclosed. Nor did the announcement state for how long the purveyor of information to the *Sunday Times* on the uses of the Dimona reactor, had been in the country.

What it was that had impelled him to come back home, too, remained something of a mystery after Mr. Rubinstein had finished reading the cabinet announcement.

All the same, and however belatedly, the government saved itself more needless trouble and criticism by ceasing to maintain the pretence it had maintained for the previous two weeks: first that it had not the faintest knowledge of Mr. Vanunu's whereabouts, and then that it owed the nation, let alone the world, no account whatever in the matter. That policy of sealed lips only made it easier for rumours to fly locally, and to translate into "news" abroad, that Mordechai Vanunu had been forcibly brought over and been the victim of a staged road accident here.

On the face of it, Mr. Vanunu had committed a whole series of criminal acts bordering on, if not including, high treason. In more than a few countries around the world, notably in the region in which Israel is located, he would have been summarily executed right upon his apprehension, or at best after a brief, secret mock trial. Since he is in Israel now, whatever sentence is handed down in his case will be the product of as fair a judicial process as could be devised anywhere.

This being so, it is all the more reason for regret that the cabinet did not see fit to break its absurd silence on Mr. Vanunu until forced to do so by extraneous considerations: by the need, that is, to deny the *Financial Times* speculation about Shimon Peres, when he was still premier, having reached an understanding with Britain's prime minister, Margaret Thatcher, which allowed Israel to remove Mr. Vanunu to Israel; and *en passant* to deny the allegation of his "kidnap" on British soil.

The searcher for evidence of sophistication in the government's handling of sensitive security issues will have to go on searching.

## The nurses played by the rules

Macabee Dean

THE HOSPITAL nurses came out of their recent, lengthy "industrial action" - a technical phrase strangely out of place in this case - with both a black eye and a damaged reputation. But they also came out victorious. And victory is the bottom line.

True, not all their demands were met, but then they never expected that. Like many other unions at the bargaining table, they had learned quite well from the Histadrut how to bargain: demand twice as much as they think management will grant just as management on its side offers half as much as it is prepared to give.

But when the Histadrut was teaching workers to fight for their rights from exploiting bosses, it never dreamed that it itself one day, because of its dual role as employer and defender of labour's rights, would be considered such an exploiting boss, as it was just now by Alliance Tire Company workers, nor that the government would also assume a similar role. The Histadrut lesson backfired.

In the nurses' dispute, labour played the game strictly according to the rules of the game - something which cannot be said of management.

The hospital nurses started with pleas for higher wages and better work conditions. Then they moved on to demonstrations. Both were ineffective, so labour used its remaining weapon: a series of sporadic strikes, designed so they would cause the least harm. But their strike had to be at the expense of the patients; they were not employed in a chocolate factory where only the whisky-drinking, cigar-smoking,

bloated capitalist with a luscious blonde secretary would suffer.

WHAT other steps could the hospital nurses have taken short of a hunger strike - taken by physicians some three years ago to impress on management the seriousness of their demands?

They could have slowly drifted away from the profession until the law of supply and demand took over. Until then, patients would really have suffered or have been forced to hire private nurses at exorbitant prices.

In contrast, management used several underhand weapons. One was to move the argument from the negotiating table by persistently appealing to the nurses' feelings of devotion towards their patients. At the same time, management adopted delaying tactics, while fanning anti-nurse public opinion by using such emotionally laden phrases as "abandoning the helpless sick," "deserting their posts," and so on.

Yet, if anyone was "abandoned and deserted" it was the nurses themselves, both by their patients, present, past and future, and by the general public. All failed to support the nurses sufficiently. For example, the public did not demonstrate in front of the Prime Minister's Office.

The public had been taught that medical help was free; one saved money to go abroad, to buy a car, to splurge on imported expensive

clothes, but not to pay for medical services.

The nurses also never learned how to engender public support: for example, never once did we hear labour call management "exploiters of the working classes" and other such choice phrases from a long morbid management - labour lexicon.

Then management tapped the gullible media - seeking stark drama and a good story which would "drive home in depth the significance of events to a sensation hungry audience." The media was given an "insider's" tour of the hospital scene to show patients moaning and groaning. But management never brought reporters to the scene where the nurses were working - for then the media would be less gullible. With nurses on the job, the patients would still be ill - and many would be moaning and groaning.

MANAGEMENT also stressed the theme "sacrifice yourselves for the greater good of the nation." It recognized the justification of some of the nurses' claims. But meeting these justified claims would mean that other sectors, whose claims were not justified, would go for the wage war path, initiating a chain reaction of wage demands, undermining economic stability, and renewing the inflationary spiral.

Management was willing to make victims of the nurses instead of fighting those sectors determined to victimize management. It was much easier to fight the so-called (but no longer) weak nurses to a standstill

than, let us say, Israel Electric Corporation workers. The latter had enormous bargaining strength: they would simply throw a switch and black out the country. Everybody would suffer. Everything must be done to placate these workers. Management has talked for years about curtailing these workers' free electricity - enough to pay a large part of the nurses' wage demands - but management was, and is, afraid to tackle them.

Management is handling this problem just as it did for years when El Al workers committees taught its employer who was in the cockpit. That is, until El Al workers got so far out of hand that management had to close down the company and let it go into receivership. But at present management is still following Hasaneh Insurance's slogan to drivers: "Don't be right, be smart. In other words, avoid an accident: let the reckless drivers rule the road, for the police certainly have failed to curb them."

MANAGEMENT, like the proverbial generals of old, is repeating the mistakes of the past. For years, it played around with the teachers as it is now doing with the nurses. The teachers were "Abandoning their pupils," "deserting their posts," "letting the kids run wild in the streets." Management also used the larger number of elementary school teachers in the union to control a minority of high-school teachers. This is the same trick used on the nurses for years, letting the non-hospital nurses dominate the union, until a few months ago when the

hospital nurses broke away to set up their own union, if still within the Histadrut, and went on the warpath. Thus, the teachers joined other professional groups which had also broken away from the Histadrut. They also developed a hard shell to emotional appeals. Years of castigation left most of them unmoved. They adopted their present policy of striking on the least provocation. A short delay in paying their wages due to two ministries quarrelling led to a strike.

For the teachers became the victims of this quarrel. The ministries did not hold back payment to their own clerks manning a bloated civil service. What happened to all those promises to fire these redundant government employees? Clerks have more votes than teachers.

Perhaps these teachers are not teaching the students during this strike, but they are once again teaching the students' parents not to trifle with the teachers.

The public has got used to teachers striking; it is no longer a disgrace. And if management does not adopt a new policy in regard to the nurses, the public will soon get accustomed to frequent strikes by the nurses. The result will probably be a hardened attitude by the nurses who will demand, and get, salaries like the teachers.

They too will have enough money to buy little cars, so much so that the Health Ministry will have to invest money to build parking lots near every hospital, rather than laboratories.

The writer is a member of the editorial staff of The Jerusalem Post.

## READERS' LETTERS

## DISCLOSURE

To the Editor of The Jerusalem Post Sir, - Under the heading "Govt should end laws on disclosure" (October 30), Professor Alan Schwartz of California advocates that we should revoke the law requiring companies floating shares to publish a prospectus disclosing full information about themselves. He claims that all the prospective investor needs to know is "the risk of the placement and the return it is likely to yield."

I deem this proposition most undesirable to the point of idiocy, especially in our murky financial climate. It was President Roosevelt who laid down the standards of disclosure in 1934 to protect the investing (read gambling) public from predators, a species not unknown to the Israeli money-market. The standard prospectus must contain full disclosure of the company's track-record, certified by public accountants, plus independent evaluation of products as well as technical and marketing competence.

But most important, it must contain the names, qualifications and past record of the board members as well as current contractual obligations and pending litigation. All this should enable the prospective investor to form his own opinion. The hungry recipients of the investment are the last people to trust in giving reassurance as to risk and profitability.

I sincerely hope that the Knesset Finance Committee, to whom Professor Schwartz's advice was tendered, will realize that their first duty is the protection of the investing public not the gold-bricker's interests.

WIM VAN LEER

Jerusalem.

## JEWISHNESS IN U.S.

To the Editor of The Jerusalem Post Sir, - Part of the conflict between the Israeli religious establishment and institutional American Jewry is based on ignorance of the role that Jewish organizations play in the U.S. The Jewish Federations in the U.S. work to strengthen Jewish identity when affiliation to a religious stream is irrelevant. In a country where assimilation of Jews is a major problem, religious identification becomes a minor issue while just getting a person to identify himself as a Jew becomes a major battle.

The leadership of the Jewish Federations consists of people from all religious streams: Orthodox, Conservative and Reform, but this is a personal matter and not an institutional identification. The Israel-religious establishment must somehow enter into a dialogue with this American-Jewish leadership, for without the work of the Jewish Federations in the U.S., there soon may not be any Jews left to come on aliyah.

YITZHAK BERMAN

Beit El.

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## AMERICAN ELECTION RESULTS

To the Editor of The Jerusalem Post Sir, - The rejoicing by most of our media over the election of a Congress hostile to President Reagan is ugly and undignified.

The reason given by our commentators is that Reagan, who is pro-Israel anyway, will now be stopped by an even friendlier Congress from taking initiatives that might be harmful to us. This approach is erroneous. A look at past Democratic Congresses, acting with Democratic Presidents, will show this. We ought to realize by now that while we are an object of friendly interest on the part of the U.S., we are not their *raison d'être*.

To the Editor of The Jerusalem Post Sir, - I would like to respond to a letter by David Sparks, who took exception to Rabbi Eliezer Berkovits' letter, "Chapel at death camp."

Obviously, Mr. Sparks is ashamed of what Christians have done to Jews through the centuries. But to say that the perpetrators of discrimination, humiliation, torture and death against Jews, were Christians who were not Christians, is hog-wash in my opinion.

To argue that the unspeakable

## HOOTING

To the Editor of The Jerusalem Post Sir, - In Zurich, the blowing of a car-horn results in a fine which the police collect on the spot. In the early days of the city's anti-noise ordinance, the fine produced a considerable income for the city's coffers. Now this particular revenue has become negligible. The citizenry "got the message." They have also realized that driving carefully prevents accidents more efficiently than making noise.

In Israel, hooting is a national passion. Bus drivers, taxi drivers, private drivers - they all angrily and lustily blow their horns at the slightest provocation, or to announce to the whole neighbourhood that "I'm here, don't make me wait!" This goes on day and night and often frightens people out of their socks. Enforcing the law forbidding hooting at any time could prove rewarding in more ways than one and most certainly would pay for badly needed extra police.

Jerusalem. BERTHOLD WYLER

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Above all, however, we insult our best friend in the world by crowing over the creation of an administrative deadlock. Don't let us forget, moreover, that in practice even a friendly Congress can only thwart a President's actions; it does not initiate any.

But the most important consideration should be that viewed from a broader global angle, Reagan is the best President the U.S. has had since the end of World War II. And what is good for America, is - in the last analysis - good for Israel.

EPHRAIM LAHAV

Jerusalem.

## CHAPELS AT DEATH CAMPS

horrors committed against six million martyrs only 40 short years ago by Christians of just about every country in Europe, make these Christians non-Christians is a big cop-out. The people who committed these crimes attended church on Sunday, observed Easter and celebrated Christmas.

I think chapels belong at all the death camps. The two go hand in hand.

BENJAMIN MOSS

Bala Cynwyd, Pennsylvania.

## OUTRAGEOUS PRICES

To the Editor of The Jerusalem Post Sir, - I wonder if any of your readers can think of a reason why advertisers of concerts, theatre shows, etc., invariably omit all mention of ticket prices.

I am sure that it has nothing to do with the outrageous rates charged for admission to such events!

J.H. GREENSTEIN

Jerusalem.

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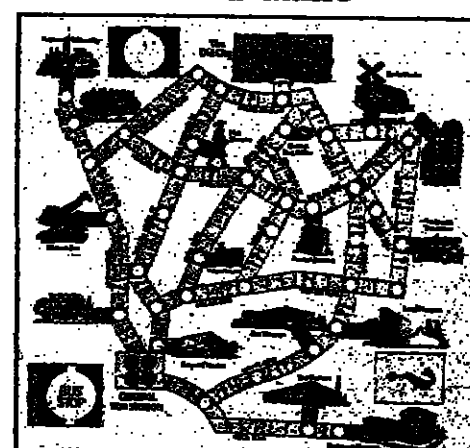
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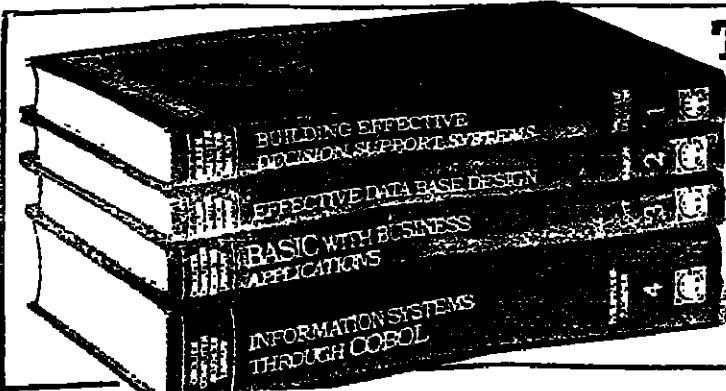
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